

[H.A.S.C. No. 113-85]

HEARING  
ON  
NATIONAL DEFENSE AUTHORIZATION ACT  
FOR FISCAL YEAR 2015  
AND  
OVERSIGHT OF PREVIOUSLY AUTHORIZED  
PROGRAMS  
BEFORE THE  
COMMITTEE ON ARMED SERVICES  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED THIRTEENTH CONGRESS  
SECOND SESSION

---

FULL COMMITTEE HEARING  
ON  
**FISCAL YEAR 2015 NATIONAL DEFENSE  
AUTHORIZATION BUDGET REQUEST  
FROM THE DEPARTMENT OF THE NAVY**

---

HEARING HELD  
MARCH 12, 2014



---

U.S. GOVERNMENT PRINTING OFFICE

87-617

WASHINGTON : 2014

COMMITTEE ON ARMED SERVICES

ONE HUNDRED THIRTEENTH CONGRESS

HOWARD P. "BUCK" McKEON, California, *Chairman*

|                                 |                                       |
|---------------------------------|---------------------------------------|
| MAC THORNBERRY, Texas           | ADAM SMITH, Washington                |
| WALTER B. JONES, North Carolina | LORETTA SANCHEZ, California           |
| J. RANDY FORBES, Virginia       | MIKE McINTYRE, North Carolina         |
| JEFF MILLER, Florida            | ROBERT A. BRADY, Pennsylvania         |
| JOE WILSON, South Carolina      | SUSAN A. DAVIS, California            |
| FRANK A. LoBIONDO, New Jersey   | JAMES R. LANGEVIN, Rhode Island       |
| ROB BISHOP, Utah                | RICK LARSEN, Washington               |
| MICHAEL R. TURNER, Ohio         | JIM COOPER, Tennessee                 |
| JOHN KLINE, Minnesota           | MADELEINE Z. BORDALLO, Guam           |
| MIKE ROGERS, Alabama            | JOE COURTNEY, Connecticut             |
| TRENT FRANKS, Arizona           | DAVID LOEBSACK, Iowa                  |
| BILL SHUSTER, Pennsylvania      | NIKI TSONGAS, Massachusetts           |
| K. MICHAEL CONAWAY, Texas       | JOHN GARAMENDI, California            |
| DOUG LAMBORN, Colorado          | HENRY C. "HANK" JOHNSON, JR., Georgia |
| ROBERT J. WITTMAN, Virginia     | COLLEEN W. HANABUSA, Hawaii           |
| DUNCAN HUNTER, California       | JACKIE SPEIER, California             |
| JOHN FLEMING, Louisiana         | RON BARBER, Arizona                   |
| MIKE COFFMAN, Colorado          | ANDRÉ CARSON, Indiana                 |
| E. SCOTT RIGELL, Virginia       | CAROL SHEA-PORTER, New Hampshire      |
| CHRISTOPHER P. GIBSON, New York | DANIEL B. MAFFEI, New York            |
| VICKY HARTZLER, Missouri        | DEREK KILMER, Washington              |
| JOSEPH J. HECK, Nevada          | JOAQUIN CASTRO, Texas                 |
| JON RUNYAN, New Jersey          | TAMMY DUCKWORTH, Illinois             |
| AUSTIN SCOTT, Georgia           | SCOTT H. PETERS, California           |
| STEVEN M. PALAZZO, Mississippi  | WILLIAM L. ENYART, Illinois           |
| MO BROOKS, Alabama              | PETE P. GALLEGGO, Texas               |
| RICHARD B. NUGENT, Florida      | MARC A. VEASEY, Texas                 |
| KRISTI L. NOEM, South Dakota    |                                       |
| PAUL COOK, California           |                                       |
| JIM BRIDENSTINE, Oklahoma       |                                       |
| BRAD R. WENSTRUP, Ohio          |                                       |
| JACKIE WALORSKI, Indiana        |                                       |
| BRADLEY BYRNE, Alabama          |                                       |

ROBERT L. SIMMONS II, *Staff Director*  
DAVID SIENICKI, *Professional Staff Member*  
MIKE CASEY, *Professional Staff Member*  
NICHOLAS RODMAN, *Clerk*

# CONTENTS

## CHRONOLOGICAL LIST OF HEARINGS

2014

|   | Page |
|---|------|
| HEARING:  |      |
| Wednesday, March 12, 2014, Fiscal Year 2015 National Defense Authorization Budget Request from the Department of the Navy ..... | 1    |
| APPENDIX:   |      |
| Wednesday, March 12, 2014 .....   | 51   |

### WEDNESDAY, MARCH 12, 2014

#### FISCAL YEAR 2015 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE DEPARTMENT OF THE NAVY

##### STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

|  |   |
|--|---|
| McKeon, Hon. Howard P. "Buck," a Representative from California, Chairman, Committee on Armed Services ..... | 1 |
| Smith, Hon. Adam, a Representative from Washington, Ranking Member, Committee on Armed Services .....        | 2 |

##### WITNESSES

|   |   |
|---|---|
| Amos, GEN James F. USMC, Commandant of the Marine Corps ..... | 9 |
| Greenert, ADM Jonathan, USN, Chief of Naval Operations .....  | 6 |
| Mabus, Hon. Ray, Secretary of the Navy .....                  | 4 |

##### APPENDIX

###### PREPARED STATEMENTS:

|                                     |     |
|-------------------------------------|-----|
| Amos, Gen James F. ....             | 125 |
| Greenert, ADM Jonathan .....        | 91  |
| Mabus, Hon. Ray .....               | 60  |
| McKeon, Hon. Howard P. "Buck" ..... | 55  |
| Smith, Hon. Adam .....              | 57  |

###### DOCUMENTS SUBMITTED FOR THE RECORD:

|   |     |
|---|-----|
| Charts from Admiral Greenert .....                                | 147 |
| Letter to Ms. Speier from Acting Under Secretary of Defense ..... | 149 |

###### WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING:

|                   |     |
|-------------------|-----|
| Mr. Conaway ..... | 153 |
| Mr. Jones .....   | 153 |
| Mr. Scott .....   | 154 |
| Ms. Speier .....  | 154 |

###### QUESTIONS SUBMITTED BY MEMBERS POST HEARING:

|                    |     |
|--------------------|-----|
| Ms. Bordallo ..... | 158 |
| Mr. Brooks .....   | 164 |
| Mr. Coffman .....  | 164 |
| Mr. Conaway .....  | 161 |
| Mr. Kline .....    | 160 |

# IV

|   | Page |
|---|------|
| QUESTIONS SUBMITTED BY MEMBERS POST HEARING—Continued |      |
| Mr. Langevin .....                                    | 158  |
| Mr. McKeon .....                                      | 157  |
| Mr. Shuster .....                                     | 161  |
| Mrs. Walorski .....                                   | 165  |
| Mr. Wilson .....                                      | 157  |

**FISCAL YEAR 2015 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE DEPARTMENT OF THE NAVY**

---

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC, Wednesday, March 12, 2014.*

The committee met, pursuant to call, at 10:04 a.m., in room 2118, Rayburn House Office Building, Hon. Howard P. “Buck” McKeon (chairman of the committee) presiding.

**OPENING STATEMENT OF HON. HOWARD P. “BUCK” MCKEON,  
A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES**

The CHAIRMAN. The committee will come to order.

I want to thank you all for joining us here today as we consider the fiscal year 2015 budget request for the Department of the Navy. I appreciate our witnesses’ testimony and their support of our naval forces.

Joining us today are the Honorable Ray Mabus, Secretary of the Navy; Admiral Jonathan Greenert, Chief of Naval Operations; and General James Amos, Commandant of the Marine Corps.

Our naval forces are the best in the world. They provide our Nation with an incredible ability to project power and strength and strengthen the U.S. presence around the world. Unfortunately, the largest threat to our naval forces is one of our own making. Defense cuts continue to have a debilitating effect on our ability to deploy naval forces in sufficient capacity to meet our Nation’s defense strategy and the needs of our military commanders. For the Navy, this budget outcome means decommissioning an aircraft carrier.

Just last week Admiral Locklear, Commander of the U.S. Pacific Command, indicated that the Navy cannot meet the global demand for aircraft carriers, yet the budget request includes no funding for refueling and overhaul, forcing the Navy to decommission the USS *George Washington* which has over 25 years of hull life remaining.

The budget outcome also means cutting force structure. Despite the repeated requirement for a minimum 306-ship Navy, the budget request funds a 283-ship Navy. Secretary Mabus, you have characterized our defense strategy as inherently a maritime strategy, yet the administration has also outlined significant reductions in our submarine forces, amphibys [amphibious assault ships], and cruisers.

Finally, this budget outcome means cutting end strength. A reduction to 175,000 marines would significantly strain the force and reduce dwell time. It also means that the Marines have to be all in, to deter or defeat aggression in just one region of the world.

These drastic nonsensical cuts should stir immense debate. Is this the Navy that the Americans want? This assumes more than just increased risk, as Secretary Hagel stated last week. The security environment and need for naval forces have not abated, yet this is a fundamental piecemeal dismantling of the world's greatest Navy.

Now, I am not pointing the fingers at you. We are the ones that voted for these cuts, some of us, and the budget deal that was arrived at by our House Budget Committee, the Senate Budget Committee, voted on and signed by the President in December, actually set a 2-year budget number. So I don't even know why we are going through this actually this year because the number is already set and this I guess just gives us talking points to debate about. But the budget is fixed by law for this year and the appropriators already have their numbers and they are already moving forward and the Senate has said that they are not even going to address a budget issue this year.

But it is good to plan and think out ahead and look forward to the future, and I really appreciate you being here today. I think it is important that we have a good debate about this, that the American people understand how much we have cut defense the last couple of years and what the numbers look like going forward for the next several years.

I think it is putting us in great jeopardy and I am going to plan on doing everything I can within my power to reverse this dangerous trajectory. I will do that by leaving, probably, get out of the way and let somebody else carry on the fight. As I have told people, I am not planning on leaving the fight, I am just leaving Congress.

Anyway, thank you very much for being here with us today. We look forward to your testimonies.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 55.]

The CHAIRMAN. Mr. Smith.

**STATEMENT OF HON. ADAM SMITH, A REPRESENTATIVE FROM WASHINGTON, RANKING MEMBER, COMMITTEE ON ARMED SERVICES**

Mr. SMITH. Thank you, Mr. Chairman, and I welcome our witnesses as well. I appreciate your collective service to our country. It has been great working with all of you. I think you do a fabulous job to make sure that the men and women under your command are well served, and I appreciate all of your work in that regard.

The good news is we do still have the most powerful, capable Navy and Marine Corps in the world. Your ability to project presence around the world, the size of your force, is unmatched, and, you know, we cannot forget that and the importance of that and the strength and capability that we have.

However, the chairman correctly laid out the challenges that the future will bring. Because in the first place, the United States has a lot more obligations globally than any other country in the world. We are, just to give one example, the guarantors of peace for South Korea and Japan. We are a significant deterrent to what North Korea would otherwise do. That doesn't come cheap, and the Navy and Marine Corps are critical, critical piece of that deterrent.

If we are going to be able to maintain that capability, we are going to have to make some very, very tough choices going forward. And you know as bad as the fiscal year 2015 budget is for a lot of the cuts that have been proposed, it is going forward beyond that that I think is the real challenge.

Now, I will say one thing, Mr. Chairman. Yes, the fiscal year 2015 top number is set, but we have to figure out how we spend that money. The Pentagon, the DOD [Department of Defense] and the President have presented their initial budget request and it is our job to figure out is that the best way to spend that top line number. We will have that debate and undoubtedly make some changes.

But going forward, when you look at 2016 and beyond, if sequestration kicks in, I think these two gentlemen before us and their services are an excellent example of just how troublesome that is. You know, the Marine Corps has been shrunk down to 182,000. If we face sequestration, that number is going to have to go even lower than that.

In the Navy, you know we are consistently concerned about the fact that we are well under the number of ships that the requirements say we should have. We are currently building 2 *Virginia*-class submarines a year, 2 destroyers a year, I forget, 2/3 LCSs [littoral combat ships] a year, and we are trying to maintain an 11-aircraft carrier Navy.

Virtually none of that is going to be possible if sequestration kicks in 2016. I don't see how we can maintain 11 aircraft carriers at that budget. I don't think we will be able to build the number of ships that we have projected to build, and that significantly reduces our presence and there are enormous challenges if we have to do that.

Now, that is not to say that savings cannot be found in the defense budget. Certainly it can; we saw a significant increase in the spending, though as I believe the Navy will point out, a lot of that increase did not go to the Navy during the course of our wars in Iraq and Afghanistan.

But we saw those increases and efficiencies can be found, and about 3 years ago, the Department of Defense sat down and looked out at the next 10 years and said what should our strategy build be? And they built that strategy, and they built in some reductions in expected spending. Those reductions were around \$500 billion. But now with sequestration and CRs [continuing resolutions], those numbers, the size of those cuts become much, much more significant.

But I will close just with two things. Number one, as we go into fiscal year 2015 and we look at some of the cuts that have been proposed, I think most prominent with this group is the proposal to take 11 cruisers out of service to retrofit them for a certain period of time, if we are not going to do those things that are proposed in the 2015 budget because of the reality that the chairman points out, we have a top line number, then it is incumbent upon our committee to say what we would cut instead. It is not enough to just rail against reductions in the Guard or rail against setting aside those 11 cruisers or getting rid of the A-10s and some of the

other decisions that we have made. We have to propose alternatives for 2015.

But the second, I think more important point, is going forward. The impact on our national security and the impact on our industrial base of sequestration for national defense will be significant. There will be a lot of jobs lost if we don't change it. Well, how do we change it? Really there is some combination of three things we need to do. We need to turn off sequestration which is devastating the discretionary portion of the budget. Defense is over half the discretionary portion of the budget. That is the primary place that we found cuts both in the Budget Control Act and in the budget agreement that was reached in December.

So we have to deal with sequestration and/or we have to increase revenues somehow or reduce the amount of money that we spend on mandatory programs. Now, I will grant you that I think everybody here would have some different combination of how they do those three things, but if you refuse to do any of those three things, if we leave sequestration in place, if we don't find more revenue, if we don't find reductions in mandatory spending, then the 2015 budget is going to be looked back on as the high-water mark of what we have accomplished in national security. As much as we are bemoaning the reality of it today, if those changes that I just mentioned don't get made in 2016 and 2017, we are going to look back on this as the good old days.

So these are some tough choices that we have to make, and figure out. Like I said, we can disagree about how to do it, how much revenue to raise or not, how much to reduce mandatory spending or not, what to do about sequestration, but if we let current law stand, our national security picture and particularly in the very, very important area of the Navy and the Marine Corps and the forward presence that they bring will be significantly shrunk from what it is today.

So we have some tough decisions to make and you gentlemen do as well. I look forward to your testimony, questions, and then trying to figure out the best way to make those difficult decisions.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Smith can be found in the Appendix on page 57.]

The CHAIRMAN. Thank you.

Secretary Mabus, thank you for your service, for your leadership in these very difficult times. I look forward to your testimony.

#### **STATEMENT OF HON. RAY MABUS, SECRETARY OF THE NAVY**

Secretary MABUS. Thank you, Mr. Chairman.

Congressman Smith, members of this committee, first I want to thank you for your support of the Department of the Navy, of our sailors, our marines, our civilians, and our families.

General Amos, the Commandant of the Marine Corps, Admiral Greenert, Chief of Naval Operations and I couldn't be prouder to represent those courageous and faithful sailors, marines, and civilians. These men and women serve their Nation around the world with skill and with dedication no matter what hardships they face, no matter how far from home and family they are.



The architects of our Constitution recognized the inherent value of the United States Navy and Marine Corps, and this Article I, Section 8, which is on a plaque in this hearing room, gave Congress the responsibility to “provide and maintain a Navy,” because our Founding Fathers knew that the Nation needed a naval force to operate continuously in war and in peace.

Over two centuries ago the United States had a crucial role in the world. Today that role is exponentially greater. Whether facing high-end combat or asymmetrical threats or humanitarian needs, America’s maritime forces are ready and present on day one of any crisis, for any eventuality.

In today’s dynamic security environment, naval assets are more critical than ever. In military terms, they provide presence, presence worldwide. They reassure our partners that we are there and remind potential adversaries that we are never far away. This presence provides immediate and capable options for the Commander in Chief when a crisis develops anywhere in the world.

In the past year, our naval forces have operated globally from across the Pacific to the continuing combat in Afghanistan and from the Gulf of Guinea to the Arctic Circle. The 2012 Defense Strategic Guidance and the newly released QDR [Quadrennial Defense Review] are both maritime in focus, as you pointed out, Mr. Chairman, and require presence of naval forces around the world.

Four key factors make that global presence and global action possible. These four factors—people, platforms, power, and partnerships—have been my priorities during my tenure as Secretary and they have to continue to receive our focus looking ahead. In our fiscally constrained times we have used these priorities to help balance between the readiness of the force, our capabilities, and our capacity.

Our people are our biggest advantage and we must ensure that they continue to get the tools they need to do their jobs. In compensation, we have increased sea pay to make sure those sailors and marines deployed aboard ship are appropriately recognized. However, this budget also seeks to control the growth of military compensation and benefits which threatens to impact all the other parts of our budget. If this isn’t addressed, as the CNO [Chief of Naval Operations] puts it, the quality of work for our sailors and marines will almost certainly decline.

Shipbuilding and our platforms remain key elements of our maritime power and a focus of this committee. The number of ships, submarines, and aircraft in our fleets is what gives us the capacity to provide that global presence. While we have the most advanced platforms in the world, quantity has a quality all its own and I think it is important to understand how we got to our current fleet size.

On September 11, 2001, our fleet stood at 316 ships. By 2008, after one of the great military buildups in American history, that number had dropped to 278 ships. In the 4 years before I took office as Secretary, the Navy put 19 ships under contract. Since I took office in May of 2009, we have put 60 ships under contract. And by the end of this decade our plan will return the fleet to 300 ships. We are continuing our initiatives to spend smarter and more efficiently, which are driving down costs through things like com-

petition, multiyear buys, and just driving hard bargains for taxpayer dollars.

Power, energy, is a national security issue and central to our naval forces and our ability to provide that presence. Dramatic price increases for fuel threatens to degrade our operations and training and could impact how many platforms we can acquire. Having more varied stably priced American produced sources of energy makes us better warfighters. From sail to coal to oil to nuclear and now to alternative fuels, the Navy has led in energy innovation.

Since the end of World War II, U.S. naval forces have protected the global commons to maintain the foundations of the world's economy. In today's complex environment, partnerships with other nations, evidenced by interoperability, by exercises and operations, continue to increase in importance. The Navy and Marine Corps, by their very nature and by that forward presence, are naturally suited to develop these relationships, particularly in the innovative small footprint ways that are required.

With the fiscal 2015 budget submission, we are seeking within the fiscal constraints imposed to provide our Navy and Marine Corps with the equipment, the training, and the tools needed to carry out the missions the Nation needs and expects from them. There are never any permanent homecomings for sailors and marines. In peacetime, wartime and all the time, they remain forward deployed, providing presence and providing whatever is needed by our Nation. This has been true for 238 years and it is our task to make sure it remains true now and into the future.

Thank you, Mr. Chairman.

[The prepared statement of Secretary Mabus can be found in the Appendix on page 60.]

The CHAIRMAN. Thank you, Mr. Secretary.

Admiral Greenert, there is a quote that is perfect for a Navy hearing. Anyone can hold the helm under smooth seas, but it is a testimony to your leadership the way you have handled the helm in very rocky seas. Thank you. I appreciate what you are doing. I look forward to your testimony.

#### **STATEMENT OF ADM JONATHAN GREENERT, USN, CHIEF OF NAVAL OPERATIONS**

Admiral GREENERT. Thank you, sir. That is very kind when you are talking to a submariner as well, but I will take it aboard. Thank you, sir.

Chairman McKeon, Ranking Member Smith, and distinguished members of the committee, first, Mr. Chairman, I would like to thank you for 22 years of exceptional support that you have given the men and women of our Navy. Your efforts, sir, have really helped ensure the preeminence of American seapower. You are always thanking us for our service. So, Mr. Chairman, your sailors and Navy salute you and Patricia for your service. And we would all give you a standing ovation but this table, we are all crumpled in here and the table would come over and it would be very disruptive so we will keep decorum up, if that is okay with you.

I am honored to represent 633,000 sailors, Navy civilians, and their families, especially the 50,000 sailors deployed and operating

forward around the globe today. The dedication and resilience of our people continue to amaze me, and the citizens of this Nation can take great pride in their daily contributions. Those are their sons and their daughters in the places around the world that count.

I am pleased to testify this morning beside Secretary Mabus and General Amos. Your Navy-Marine Corps team is united in fulfilling our longstanding mandate to be where it matters, when it matters, and to be ready to respond to crises to ensure the stability that undermines this global economy.

General Amos has been a great shipmate. Our respective services' synergy of efforts has never been better and Secretary Mabus has provided Jim and I the vision, the guidance, and the judiciousness that we need to build the finest Navy and Marine Corps that this Nation is willing to afford.

Forward presence is our mandate. We operate forward to give the President the options to deal promptly with contingencies. As we conclude over a decade of wars and bring our ground forces home from extended stability operations, your naval forces will remain on watch.

This chartlet that I gave each of you in front of you shows today's global distribution of deployed ships as well as our bases and our places that support them. In the block in the lower left it will also tell you how long it will take if we are not there to get from respective ports and areas in the United States.

[The information referred to can be found in the Appendix on page 147.]

Admiral GREENERT. Now, our efforts are focused in the Asia-Pacific, I think you can see that and the Arabian Gulf, but we provide presence and we respond as needed in other theaters as well. With this forward presence over the last year we were able to influence and shape the decisions of leaders in the Arabian Gulf, Northeast Asia, and the Levant.

We patrolled off the shores of Libya, Egypt, and the Sudan to protect American interests and induce regional leaders to make the right choices. We relieved suffering and provided assistance along with our Marine Corps brothers and sisters and recovery in the Philippines in the wake of a devastating typhoon. Our presence dissuades aggression and it dissuades coercion against our allies and friends in the East and the South China Seas. We kept piracy at bay in the Horn of Africa. And we continued to support operations in Afghanistan while taking the fight to insurgents, terrorists, and their supporting networks across the Middle East and Africa with our expeditionary forces and supporting our special operations forces.

The 2014 budget will enable an acceptable forward presence. It is acceptable, but through the remainder of the year we will be able to restore a lot of our fleet training and our maintenance and our operations and we will recover a substantial part of that 2013 backlog that we talked about quite a bit in this room.

The President's 2015 budget submission enables us to continue to execute these missions, but we are going to face some high risks in specific missions articulated in the Defense Strategic Guidance. Our fiscal guidance through this Future Year Defense Plan is

about halfway between the Budget Control Act caps and our Pres-Bud 14 [President's budget for fiscal year 2014] plan. It is a net decrease of still \$31 billion when you compare it with Pres-Bud 14. So to prepare our program within these constraints, I set the following priorities and Secretary Mabus supported me.

Number one, we have to provide the sea-based strategic deterrent; two, forward presence; three, the capability and the capacity to win decisively; number four, the readiness to support the above; five, that we maintain and bring in asymmetric capabilities and maintain a technological edge; and, number six, to sustain a relevant industrial base.

Now using these priorities, we built a balanced portfolio of capabilities within the fiscal guidance that we were provided. We continue to maximize our presence in the Asia-Pacific and the Middle East using innovative combinations of rotational, forward based rotational forces, forward basing and forward stationed forces. We still face shortfalls in support ashore and a backlog in facilities maintenance that erode the ability of our bases to support the fleet.

We have slowed modernization in areas that are central to remain ahead of or keep pace with, technologically advanced adversaries. Consequently, we face higher risk if confronted with a high-tech adversary or if we attempt to conduct more than one multi-phased major contingency simultaneously.

Mr. Chairman, as I testified before you in September, I am troubled by the prospect of reverting to the Budget Control Act revised caps in 2016. That would lead to a Navy that is just too small and it is lacking the advanced capabilities needed to execute the missions that the Nation expects of the Navy. We would be unable to execute at least 4 of the 10 primary missions that are laid out very clearly in the Defense Strategic Guidance in the Quadrennial Defense Review.

If you look at the back of the chartlet that I showed you that has got the ships on the front, you will see that our ability to respond to contingencies is dramatically reduced in this future scenario of being retained at budget control caps. It limits our options and it limits the Nation's decision space and we would be compelled to inactivate an aircraft carrier and an air wing.

[The information referred to can be found in the Appendix on page 148.]

Admiral GREENERT. Further, our modernization and our recapitalization would be dramatically reduced and that threatens readiness and our industrial base. If we revert to the Budget Control Act caps year by year it will leave our country less prepared to deal with crises, our allies' trust will wane, and our enemies will be less inclined to be dissuaded or to be deterred.

So, Mr. Chairman, I am on board with the efforts to get the fiscal house in order. I look forward to working with the committee to find solutions that enable us to sustain readiness while building an affordable but a relevant future force. This force has to be able to address a range of threats, address contingencies and high consequence events that could impact our core interests.

I appreciate the opportunity to testify today and I thank you and the committee for your continued support and I look forward to your questions.

[The prepared statement of Admiral Greenert can be found in the Appendix on page 91.]

The CHAIRMAN. Thank you very much. I got to spend a couple nights on a submarine under the Arctic ice cap. That was a great experience. A lot of times when we travel we get to shake a few hands and say "hi" to a few troops and then move on and probably never see them again. But after 2 days, we kind of bonded. You know, we could play games and watch movies and eat together, and it was interesting.

And then I went to Virginia a few years ago when we did the—welcomed the USS *California* into the fleet, and I was able to show my wife this is where we ate, this is where we played cards, this is where I slept. You know, she couldn't believe I slept in a space that small. It was a great, great experience.

I want to especially recognize General Amos, the 35th Commandant of the Marine Corps, in his last posture hearing before our committee. I made the mistake yesterday when we were talking, saying this is your last hearing. Because he says, oh, you know, let's not be pushing him out before he is done. He has got a lot of work to do before he leaves. But this is his last posture hearing.

And, few will ever know the full burden of command, and the general has shouldered it admirably. He has been faced with difficult issues and equally difficult decisions. All the while he has kept our men and women in uniform in the forefront of his decisionmaking and has continued to be a tireless advocate for them. The committee appreciates his honesty, his candor, and his counsel, and I think our Nation is better having had the privilege of his military service.

He told me when he got this job that he would not be a part of hollowing out the Marine Corps. And so the way they have handled the cuts is they have kept them a fighting force. They are not going to be spread out and try to have to pull together when they are needed, and I think that has been very, very important.

General Amos, I look forward to hearing your testimony.

#### **STATEMENT OF GEN JAMES F. AMOS, USMC, COMMANDANT OF THE MARINE CORPS**

General AMOS. Thank you, Chairman McKeon, Ranking Member Smith, and members of the committee.

Again I am pleased to appear before you to speak on behalf of the Marine Corps. And Chairman, I echo my colleague Jon Greenert's strong comments and appreciation for your leadership.

I suspect that every service chief that has sat at this desk, and we have certainly sat with all of them over the last 3 to 4 years, feels that you love their service the most, and that is a unique ability of leadership to get them to believe that, because your Marine Corps feels like you care for us more than you care for anybody else when in fact I know that you care for all of us equally the same.

So thank you for your leadership, Chairman, and this committee and Congress and the United States of America will sorely miss you when you retire later this year.

Since our founding in 1775, marines have answered the Nation's call, faithfully protecting the American people while maintaining a

world-class standard of military excellence. Nothing has changed, we continue to do the same even as we meet here today. Yet we find ourselves at a strategic inflection point in history. After 12 years of war we are drawing down our forces in Afghanistan, resetting our institution, and reawakening the soul of the United States Marine Corps.

Today we are challenged by fiscal uncertainty that threatens both our capacity and capabilities, forcing us to sacrifice our long-term health for near-term readiness. As I have testified before this committee many times, despite these challenges I remain committed to fielding the most capable and ready Marine Corps the Nation is willing to pay for.

Our greatest asset is the individual marine, the young man and woman who wears my cloth. Our unique role as America's premier crisis response force is grounded in the legendary character and warfighting ethos of our people. As we reset and prepare for future battles, all marines are rededicating themselves to those attributes that carried marines across the wheat fields and into the German machine guns at Belleau Wood in March of 1918.

Those attributes that enabled raw combat-inexperienced young marines to courageously succeed against a determined enemy at America's first offensive campaign in the Pacific, the attack at Guadalcanal by the 1st Marine Division in August of 1942, and lastly those timeless strengths of character and gut courage that enabled marines to carry the day in an Iraqi town called Fallujah and against a determined enemy in the Taliban strongholds of Marja and Sangin.

Your corps is rededicating itself to the timeless attributes of persistent discipline, faithful obedience to orders and instruction, concerned and engaged leadership, and strict adherence to standards. These ironclad imperatives have defined our corps for 238 years. They will serve us well in the decades to come.

As we gather here today some 30,000 marines are forward deployed around the world promoting peace, protecting our Nation's interests, and securing our defense. But we don't do this alone. Our partnership with the Navy provides America an unmatched naval expeditionary capability.

Our relationship with the United States Navy is symbiotic. My relationship with Admiral Jon Greenert is unprecedented. This is why I share CNO's concerns about the impacts associated with a marked paucity of shipbuilding funds.

America's engagement throughout the future security environment of the next two decades will be undoubtedly naval in character. To be forward engaged and to be present when it matters most means we need capital ships and those ships need to be loaded with United States Marines. Expeditionary naval forces are America's insurance policy. We are a hedge against uncertainty in an unpredictable world.

The Navy and Marine Corps team provides power projection from the sea, responding immediately to crises when success is measured in hours, not in days. From super typhoon that tragically struck the Philippines late last year to the rescue of American citizens in South Sudan over Christmas, your forward deployed naval

forces were there. We carried the day for the United States of America.

As the joint force draws down and we conclude combat operations in Afghanistan, some argue that we are done with conflict. My view is different. The world will remain a dangerous place. There will be no peace dividend for America nor will there be a shortage of work for its United States Marines. Ladies and gentlemen, we will not do less with less, we will do the same with less.

In closing, you have my promise that we will only ask for what we need. We will continue to prioritize and make the hard decisions before coming to Congress.

And once again I thank the committee and specifically your leadership, Mr. Chairman. I look forward to your questions.

[The prepared statement of General Amos can be found in the Appendix on page 125.]

The CHAIRMAN. Thank you very much.

As I stated in my opening remarks, I am concerned about our aircraft carrier force structure. If a nuclear refueling of the *George Washington* is not supported, our carriers will be reduced from 11 to 10.

Last year when Admiral Greenert,<sup>†</sup> PACOM [United States Pacific Command] Commander, testified before the committee, he commented about the problem. There was a flare-up in Korea at the time and he said usually when that happens he sends a carrier out and that has a calming effect. He said he didn't have a carrier to send, he said then I would send a B-2. That also has a calming effect. We didn't have a B-2 to send, he says then I send some F-22s, and we didn't have any F-22s to send.

I think I mentioned yesterday, I think the main purpose of our military is to prevent war, to keep from having to go to war, to be a strong deterrent. If that is not possible, and that generally comes when we are weakened or perceived by potential adversaries that we are weakened and they sense an opportunity, then we have to sometimes engage in war and then your responsibility is to win those wars as quickly as possible and return as many of our people home safely as possible.

Secretary Mabus, Admiral Greenert, last week Admiral Locklear testified again before our committee and he stated that we have insufficient carriers to meet the global demand. He was questioned—I enjoyed the discussion between him and Mr. Smith—about the need for the carriers and the forward presence.

Do you concur that the demand signal for aircraft carriers is more than what the Navy can currently fulfill?

Secretary MABUS. The demand signal from combat commanders for carriers and for all our types of ships is more than we can currently fulfill and we want to keep the 11th carrier and its associated air wing very much. What we have done in this budget is move that decision to fiscal year 2016 so that there is time to debate it, to take a close look at what would be the realities if we did decommission this.

---

<sup>†</sup> Admiral Samuel Locklear was the PACOM Commander who testified.

First, there is a law that says we must maintain 11 carriers. But, secondly, CNO, Admiral Locklear have all discussed the impact of only having 10 carriers in the fleet.

Your deployments, which are already long and getting longer, would get longer still. The stress would increase on our force. The presence that we need for those carriers would be impacted. The industrial base that builds and maintains our carriers would be very negatively affected. The ability to maintain the carriers that we had because of the increased usage of the ones that remained would also be called into question.

So, it would have some very serious consequences, to have to retire this carrier. To keep it over the 5 years starting in fiscal year 2016, is a \$7 billion additional bill, and there are very few places that you can find \$7 billion in any budget. And so, if we go back to the sequester level, that would be one of the options we would almost certainly have to put on the table because of the large cost and because of the decline in the amount of money that was available.

Admiral GREENERT. Mr. Chairman, Admiral Locklear has been clear since he took the watch in the Pacific Command what he needs for aircraft carriers, and he said I need two there full-time, and then about 3 months a year to 4 months a year I actually need a third, and he times that based on the events out there.

Admiral Locklear, the Department of Defense gives him an assignment, it is called the global employment of the force, and within it, provides aspirations if you will or key principles that each of our combatant commanders have to meet on behalf of the Secretary of Defense and really the Nation. And also he has operational plans, he is responsible for four of the seven treaties that we have out there and the sustainment.

So he has been pretty clear on what he needs, and it is I think we call it 2.3. And if you take into account on the back of the sheet for a reminder, for us to meet what the combatant commanders request, we need a Navy of 450 ships, Mr. Chairman. So what we do is we adjudicate the distribution of forces, as the Secretary alluded to, based on the Navy that we have, where we are, and distribute them accordingly.

The Asia-Pacific is important and we are rebalancing toward it. If you go from 11 to 10 carriers you exacerbate that, what is already a very difficult problem, to the point where one of our tasks, a primary missions in the Defense Strategic Guidance, is to deter, and defeat if necessary, and the deterrence factor goes down dramatically when you have gaps. And it is a risk that we assume and I worry about.

The CHAIRMAN. General Amos, the proposed Future Years Defense Program would reduce the Marine Corps to 175,000. What are the consequences of this reduced force structure in meeting your steady state rotational and major contingency operation requirements?

General AMOS. Chairman, the Marine Corps, just a couple attributes to that 175K [175,000] force. First it is one I would describe as a moderate risk force, moderate risk in that, that force would be made up of 21 Marine infantry battalions which is the centerpiece around which everything else is built in the United



States Marine Corps. The numbers of squadrons and everything else are all a function of the number of battalions.

The large-scale contingency operation that might be required of our Nation, the pacing of that size operation would require about 20 Marine infantry battalions. So what this means is your Marine Corps would be all in. And we built it so the Marine Corps' readiness would be up, they would be fully manned, fully trained, fully equipped as you talked about in your statement, but we would be all in. And just like World War II and Korea, we would come home when the war is over.

So there is risk involved with that because there is other places around the world where things might well be happening and that will require a presence of marines. This is going to require a Presidential recall of our Reserves, 39,600 marines, and they would provide the shock absorber that would provide not only combat replacements for that 175K force, those 20 infantry battalions, but they would also provide the ability to do limited operations elsewhere around the world.

So there is a combat power buildup. There is a sense of the units that remain back home will be less ready, even though we are going very hard to keep them ready. So it will be longer for them to get there. And eventually when you start running out of marines in a major theater war, you are going to go from boot camp to battlefield. So there is moderate risk in that force, sir.

The CHAIRMAN. There has been a lot of talk with this budget that we received from the President about assuming additional risk. I think it is important for the American people to understand what we are talking about in additional risk is lives. And that is a big concern, because as I said earlier, it invites aggression and then we have to go to war, and that has been our history for many, many years now. I would like to see us avoid that.

We always draw down after the war, but we are still at war and we are drawing down. So we not only don't have a peace dividend, we are drawing down while we have troops still serving, risking their lives every day. So you have been dealt a very hard hand. I commend you for the job you are doing. I wish it weren't so. Not the job you are doing, I wish you didn't have the hand that you are playing.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

Just continuing, first of all I want to recognize General Amos' service as well in his last posture hearing, and it has been great working with you. You and your office have been terrific to me and my office, kept us informed, and you certainly do a great job for the men and women who serve under you. So we appreciate your service and hope you enjoy your retirement when it comes.

You mentioned 175,000 marines. What does that look like if we get the full 8 years of sequestration that are currently on the books? How large of a Marine Corps could you maintain in that scenario?

General AMOS. Congressman, that is 175. When we built that force, we started just before, almost a year ago to today, and we actually looked forward expecting sequestration would be signed in March of this past year. And so that force of 175,000 with 21 infan-

try battalions and the appropriate rest of the combat support, combat service support, is a fully sequestered force. So that force will maintain itself out into the future.

Where we begin to run into trouble, because I moved to maintain near-term readiness now of those deployed units and the ones that are about to deploy, and trying to keep the readiness of the deployable units up, I have reached into other accounts in O&M [Operations and Maintenance] within my authorities and pulled money out, facilities sustainment, restoration and modernization, range modernization. I canceled 17 programs. So I pulled out and pulled that money in to maintain the readiness.

I will be able to do that for another probably 2 years, but the 36th Commandant will reach a point probably 2 years from now where he is going to have to take a look at that readiness level and say I am going to have to lower that so that I can get back into these facilities that I can't ignore, my training ranges that I can't ignore, and the modernization that I am going to have to do eventually. Otherwise we will end up with an old Marine Corps that is out of date.

Mr. SMITH. So the same size force, but it would be less ready, less prepared to fight.

General AMOS. Sir, it will be less ready in about 2017 and beyond.

Mr. SMITH. Okay.

Admiral Greenert, you mentioned the COCOM [combatant command] requests for ships and if they were all met there would be a 450-ship Navy. Our requirements I think, put the Navy at this point at around 300, I forget what the exact number is for the requirements at this time.

Admiral GREENERT. 306, sir.

Mr. SMITH. 306.

Admiral GREENERT. 306.

Mr. SMITH. So can you perhaps explain for the committee's benefit the difference between requirements and COCOM requests? I mean, as my 10-year-old son says, it never hurts to ask. So you know, the COCOMs do make a lot of those requests. But obviously there is a difference between that and requirements. Could you explain that difference a little bit?

Admiral GREENERT. Yes, sir. Again, as you alluded, the combatant commanders, first of all they have a tasking given by the Department, it is called a global employment of the force, and it tells them what they are supposed to accomplish in their theater of operations. It is fairly—it is broad enough for them to determine that. They boil that down to presence, theater security cooperation and security, and they deliver to the Department of Defense through the services here is what I need from you.

We take those down to the Joint Staff and we work through it, well, here is what we have. Here is the need in the world I live in. Here is the Navy I have. Here is the request. And we reconcile it. We adjudicate it. That adjudication is done at the Joint Staff, signed by the Secretary of Defense. We distribute the forces in a document called the Global Force Management Allocation Plan. We allocate the forces globally. So, simply put, that is the process that we use, and that is my demand signal for the year.

Mr. SMITH. But how reflective do you think it is that the amount of requests that come in from the combatant commanders, like they are making all these requests and we are not meeting them. How big of a problem is that? How do you sort of balance what is sort of what would be nice to have versus need to have based on a COCOM request?

Admiral GREENERT. Well, you have to look at what is it for, to your point, I think. What is the Department's priorities? Is this for warfighting? Is this for theater security cooperation? Is it an exercise? What is the deal on that? And that is reconciled. This takes a year, Mr. Smith.

And so, we grind through all of that. It is supposed to be a request of capability. So if you say, well, I need this ship, and as Jim Amos and I work on it, you say you need an amphibious ship. Well, I got an idea. How about this support ship that we think can do the same thing? This sort of brokering goes on——

Mr. SMITH. Right.

Admiral GREENERT [continuing]. Through the year.

Mr. SMITH. Okay.

Secretary Mabus, a couple of issues. You mentioned you are building up to get to a 300-ship Navy. Number one, what year would that be projected to happen. Number two, if sequestration kicks in as planned, what does that do to that plan? What number do you wind up with?

Secretary MABUS. We would get to a 300-ship Navy by the end of this decade under the current plan and would keep it going forward. The effect of sequestration is on the back of the CNO's chartlet here. We would be unable to procure—well, the carrier would certainly be at issue, three destroyers, one submarine, four support ships and one forward staging base that we are currently planning to build——

Mr. SMITH. Okay.

Secretary MABUS. We could not build at those levels. Now, one of the perverse things that happens with sequestration is that as we take ships out, things like destroyers or submarines, we are taking them out of multiyear contracts and so we are breaking multiyear contracts which raises the cost of the individual ships so we get fewer and they cost more.

Mr. SMITH. Okay. Thank you very much. Thank you, gentlemen. I yield back.

The CHAIRMAN. Thank you. Mr. Thornberry.

Mr. THORNBERRY. Mr. Chairman, I yield my time to the gentleman from Mississippi, Mr. Palazzo.

Mr. PALAZZO. Thank you, Vice Chairman Thornberry, Secretary Mabus, Admiral Greenert, and General Amos. It is always a pleasure to see you all and thank you for your service to our country.

Gentlemen, I know you have all had the opportunity to visit south Mississippi and see firsthand the world-class warships that are built right in my district. I know we all have a healthy respect for the capabilities these ships bring to our men and women serving in the U.S. Navy and the Marine Corps. I believe many of you would agree that the world is not getting safer but is becoming more dangerous and that we need more ships, not less ships. So with that let's jump right in.

General Amos, do you support the requirement for a 12th ship of the LPD-17 class and would you please explain the capability that vessel would add to the Marine Corps mission?

General AMOS. Congressman, the capabilities are significant. That is a wonderful ship. Admiral Greenert and I just commissioned the USS *Somerset*, LPD-25, just about 2 weeks ago in Philadelphia. So it is a wonderful ship and it is being built with a very high degree of quality.

I would love to have the 12th ship. We would love to have the 12th ship. Quite frankly, there is little to no money in the budget to be able to do this, which goes back to my original statement, my opening statement on we need capital ships. The Navy needs that. But there is no money, Congressman, to do this, to buy this 12th ship.

The 12th ship, if money was allocated, would allow us some decision space as we look towards just exactly what is going to replace those LSDs [landing ship, dock], those 12 LSD 41-49-class ships that we have which are nearing the ends of their service life. So would we love it? Yes, we absolutely would, but there is no money in the budget to pay for it.

Mr. PALAZZO. So the Marines clearly want and need a 12th LPD [landing platform/dock] and the LPD maintains the critical industrial base hot for rolling right into procuring the next amphibious ships based on the LPD hull form.

And experience in shipbuilding has shown that new programs are always more expensive than desired and always take more time than planned, and I think it is vital that we support maintaining the current program that is building these ships and receiving excellent marks from the operational commanders and delivering a vital capability to our Marine Corps.

And so, General Amos, you mentioned the LSD ships and that we are thinking about constructing them based on the existing LPD-17-class hull form. Can you elaborate on that and why that is important?

General AMOS. Congressman, there is what we call an analysis of alternatives which is underway right now. The CNO Jon Greenert, Admiral Greenert commissioned that some time ago. And they are looking for all the different possibilities. We do this for everything. We do this for vehicles, we do this for airplanes. So we examine what are the art of the possible things that might be out there, some of which may be commercial-off-the-shelf, some of which may be developmental. But so, what is it that is out there that could fit the needs of the requirement, meet the needs. And that is what we are doing right now.

So that has not been complete yet. There is seven or eight variables out there that are potential solution sets to the LSD and we are looking at that right now, Congressman.

Mr. PALAZZO. Admiral Greenert, do you have anything to add to the questions that I have proposed to the general?

Admiral GREENERT. Well, sir, there is requirement and we have a requirement for 38 amphibious ships for joint forcible entry. I stand behind it. The Marine Corps has established it, we established it together. Thirty-three we say we should endeavor for as an affordable solution, 33 gray hull amphibious ships.

But today, in the world that we live in, the world that the Navy and Marine Corps lives in and the future, we probably need 50. If we want to do everything that we are asked to do, and it is not just the COCOMs ask, it is we look out around the world, we could probably use 50 amphibious ships. But we don't have that. So there is a requirement; there is want, I want the ship; and then there is the reality that I have. So if we were to take the shipbuilding plan and do this, sir, I would on balance, what I have with the resources of the Navy.

Now, if I may be so bold, in the past we have taken, as Jim said, we are building an amphibious ship to replace the LSD and we want to get that thing going and we want that thing to be affordable. So if there is a feasibility of taking seed money and looking at what can we do to help the industry, to help designers, we have done this with the *Virginia* class and it got us down—it saved us \$200 million per copy we estimate on the *Virginia* class. If there is a way to do something like that, I think that is feasible. So you didn't ask for that, but thank you, sir.

Mr. PALAZZO. Well, thank you, and thank you for your testimony. And General Amos, you are going to be sorely missed.

And, I yield back.

The CHAIRMAN. Thank you.

Mr. McIntyre.

Mr. MCINTYRE. Thank you, Mr. Chairman, and thanks to each of you gentlemen for your service to our country.

Secretary Mabus and Admiral Greenert, we were talking earlier about the desire to reach 300 ships by the end of the decade. Do you think the current mix of ships is correct, especially with the truncation of the LCS program and how that impacts the fleet design? I know on the handout here you actually say in parenthesis "Mix matters. Insufficient small surface combatants."

How does this concern about the number of ships affect what you think the mix should be among the ships we do have or will be able to have by the end of the decade?

Secretary MABUS. Congressman, you are absolutely correct. It has got to be the right mix of ships and not just sheer numbers.

But first I think we need to be very precise on the LCS. What the Secretary of Defense has said is that we need the small surface combatants, that we need to grow the fleet, that we need what has been noted that we need, 52 of the small surface combatants.

What he has tasked me and Navy to do is to take a look at the LCS program and at the requirements, what should a ship like this do, how survivable should it be, what sort of armament should it have, this sort of thing, and report back in time for the 2016 budget. And all we have been told to do is to not engage in contract negotiations past 32 ships. We only have 24 under contract now, so we will continue to build the LCS.

One of the things that he called out very specifically that we should look at, one is continue to build the LCS; two is build a modified LCS; and three is build a different design ship. He also tasked me as part of that look how much would any of these alternatives cost and how long would it take to get to the fleet because we do need these ships very quickly.

And so, this look at the requirements, at what the ship is meant to do, does it meet the requirements, is what we have done on every single type of ship that the Navy has built. We are about to start in fiscal year 2016 the fourth flight of the DDG-51 [guided missile destroyer]. We are going to start fairly soon after that with the fourth flight of the *Virginia*-class submarine. So requirements change. Technology improves and we change. And so, that is what I have been directed to do, that is what we are doing at Navy on the LCS.

So in terms of numbers of ships and in terms of mix of ships, the Secretary of Defense has said that we need to have these small surface combatants, and what we are doing now is what is the best way to meet that need, and continuing to build the LCS or a modified LCS is certainly an option pending the results of this review.

Mr. MCINTYRE. Thank you.

Admiral, let me ask you this, because my time is running out.

Thank you, Mr. Secretary, for that answer, and that was very helpful.

Would you please discuss with us the risk and cost savings associated with any further slippage that might occur in the *Ohio*-class replacement submarine? I know there is a question about whether the Navy can fulfill STRATCOM's [U.S. Strategic Command] continuous at-sea deterrence requirements in future years. Can that be done at the current schedule, and if these replacement submarines are further delayed, what can you share with us about meeting that concern with STRATCOM—

Admiral GREENERT. Yes, sir. First of all, thanks for all that you have done for your Navy. I understand you are getting near some of your last hearings as well, sir.

Mr. MCINTYRE. Thank you, sir.

Admiral GREENERT. It has been great working with you. To the point, your question. The *Ohio*-class submarine today has already had its life extended. They are on a retirement track that, by the way, we still need to be sure they can technically support the retirement track they are on. So, the *Ohio* replacement, which we have already moved 2 years to the right, number one, it is aligned with our ally, the U.K., so we are building this thing in commensurate with them building their submarine. The missile compartment is common. But number two, we have to get the first *Ohio* replacement in construction by 2021, so that it is complete by 2029 and ready to go on patrol.

So we have quite a bit of tight schedule there, and so my point would be, there is no slack in here. And the mission is sea-based nuclear—excuse me—strategic deterrence, and for us, that is number one. It is a national mission, and we have to fulfill it, sir.

Mr. MCINTYRE. All right. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Jones.

Mr. JONES. Mr. Chairman, thank you very much, and yes, I would be the first to agree that the budgets are critical to a strong military, but I also would like to say that integrity in each of the services is also critical to a strong military.

That brings me to this. General Amos, I have become friends with Major James Weirick, United States Marine Corps, who I believe, sincerely believe, is a man of integrity. That brings me to four questions that I do not think you will have time to answer today that I would ask the chairman and ask that these answers be written and submitted back to the committee so that each member of the committee can analyze the responses.

The first question would be, who brought to your attention the email Major Weirick sent to Peter Delorier on the 21st of September of 2013? The second question would be, who decided to issue the protective order taken out against Major Weirick? And since you were named in the protective order, did you fear Major Weirick at any point? That would be another question.

Your job is to stand up for your marines. That said, was your civilian attorney, Robert Hogue, ever reprimanded for his slanderous comments comparing Major Weirick to the Navy Yard shooter? Mr. Hogue made these comments in the press both before and after Major Weirick had been found by a Navy behavioral health provider as fit for duty and posing no threat. And Mr. Hogue made those comments about an outstanding Marine officer. I want to know, again, in writing, did you reprimand him, because I did not see it in the press.

In a February the 17th interview with NPR [National Public Radio], you stated, and I quote, "I have never ever said that I wanted them crushed and kicked out," talking about the marines in the urination case.

When speaking about the marines involved with this video, however, General Waldhauser gave sworn testimony that you did in fact say that you wanted them crushed. I am asking you today, and you can put it in the writing, are you saying that General Waldhauser lied under oath?

The fourth question that, again, I look forward to your written responses, during the same NPR interview, you stated, certainly, none of them have been crushed or thrown out of the Marine Corps.

General Amos, how many of them were not allowed to continue to serve in the corps? My information says that the number is seven out of nine marines. Would you please verify that what you said in the NPR article interview was that none had been crushed.

Then, lastly, "Tarnished Brass," a 27 February 2014 article in Foreign Policy Magazine, poses this question. And sir, I would rather not be reading this, but it has been put into print, and it all goes back to Captain James Clement and to Major James Weirick. The article says, and I quote, "The top Marine Corps general is"—under—"is unpopular with his troops, damaged on Capitol Hill, and under investigation in the Pentagon. Can he really still lead?" This, again, I would ask you to submit in writing to the committee.

Sir, when I look at what has happened both in the James Clement situation and having talked to Major Weirick on numerous occasions over the past 5 months, it is disappointing that the integrity of this marine, and I would include Captain James Clement as well, have had to take the attacks that have come out of the office,

whether it is you or people around you, that they have done everything they could to destroy two—the integrity of two marines.

And Mr. Chairman, with that—I have got 43 seconds left—I would ask that these questions that I have asked publicly here in the committee today, that with your help, sir, and the ranking member's help, that we get a response back, if possible, within the next 6 weeks to these questions because, in my humble opinion, it is important. I have heard from too many marines, sir, both Active Duty and retired, that they are concerned about the integrity of the United States Marine Corps, so, sir, I ask you please to put in written form answers to these questions.

And I yield back the balance of my time. Thank you, sir.

The CHAIRMAN. General, do you want to take any time now to respond, or would you prefer to do it in writing?

General AMOS. I will do it in writing.

[The information referred to can be found in the Appendix on page 153.]

The CHAIRMAN. Thank you very much.

Ms. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman.

And to all of you, thank you so much for being here, for your extraordinary service.

And General Amos, best of wishes to you as you move on, not quite yet, but in the future.

We had a hearing last week with Secretary Hagel and General Dempsey looking at the QDR but also how trying to face some really tough decisions that you obviously are very aware that we have, whether it is readiness and how we move forward with personnel issues and a host of other ones, and I wonder if you could share was, of the decisions that are coming forward and where you think we are today and the likelihood of the committee pushing back on some of the tough decisions that you have ahead, where do you see that, those key issues that you want to be sure that we take a very hard look at and not necessarily respond in what we think would be the better situation for our constituents, for our communities? Is there an area that you choose to point out that you see as a problem area?

Admiral Greenert.

Admiral GREENERT. Ma'am, I would request we look very closely and weigh all the options and read closely our intentions on compensation reform. It is fairly comprehensive, extensive; it is just not one issue. I don't think it is a one-issue topic. And I think it is our sense that under the circumstances that we are in fiscally, the longstanding good support and good will of this Congress for our military and those members, and in the world I live in, the other things that they need, any money coming from compensation reform to the Navy—and Secretary Mabus supports me in this—is going right back to things that support our sailors: their quality of life and their quality of work, barracks, peers training, manning, all of these things, these are the things that they tell us, they tell myself and my senior enlisted that this is what, the things that bug them that could make their career better, that we do a balance of that and to think through that and not pick the thing apart.



It is my opinion that we have an opportunity here to sort of address and do this debate in this sort of node, if you will, or knee in the curb, however you want to look at it, inflection point of our service and of our budget.

Thank you, ma'am.

Mrs. DAVIS. Secretary Mabus, I wasn't sure if you wanted to respond.

Secretary MABUS. I would echo exactly what the CNO said.

But I would also say, to go back to what the unique characteristic that the Navy and Marine Corps give this country, and that is presence, the ability to be forward deployed, the ability to have the right number and the right mix of ships forward, the ability to maintain those ships, the ability to have trained crews on those ships, and so keeping that presence and also taking a little history in mind that the Navy got significantly smaller in the last decade and that we are beginning to come up now to meet this new maritime strategy. So that presence that gives our Nation options, we—CNO, Commandant, and I—are working very hard to protect that presence, but not just presence but presence with the right kinds of ships, presence with the trained people, sailors and marines, on those ships, to give those options to this country.

Mrs. DAVIS. Yeah. So that is also keeping faith with our promise to our sailors and to their families as well, that that balance is correct, and I think that is going to be the tough decisions, one of them, that we face. I think the other one, certainly for the services, all of them, but I am wondering about the Navy and the Marines in terms of BRAC [Base Realignment and Closure] and whether you think there is excess capacity that we can be looking at.

I guess one other question I would like to ask is just about how we are dealing with toxic leadership, which I know has been of great concern to all of you, and whether the training, the ability to go back and sort of reassess where we are in that area to keep the integrity of the services also, very clear.

Secretary MABUS. I would like to comment very briefly on that. We, uniquely, in terms of leadership, when we relieve somebody, we announce it. We announce why we are doing it, and it is one of the things that we focus on. The Commandant has talked about the reawakening efforts that he is making and a lot of the other efforts that he is making and has made across the Marine Corps. CNO, likewise.

I was at the Naval War College in Newport and made a talk to those students and to about 700 of our officers about ethics, but having said all that, no ethics classes in the world, if you don't know it is wrong to steal, if you don't know it is wrong to take a bribe, if you don't know it is wrong to cheat, you missed something from your mother. And what we can do is set up systems to make sure that we catch you, that we hold people accountable, and I think that we have done a pretty good job in that. And again, when we find somebody that has not met those high standards, we are public about it when we relieve them.

The CHAIRMAN. Thank you.

Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

General Amos, I wish there was more we could offer you than thank you, but we offer that to you. You have done a great job. You have shown courage, not just on the battlefield but on the political field. You have always fought for your Marine Corps and your marines, and we owe you a debt of gratitude. Thank you so much for that service.

Admiral, Mr. Secretary, I have just enormous personal respect for both of you. I know you love your Navy. I know you are fighting for your Navy. I believe that some of the decisions we are arguing about today were not your decisions. I am not going to ask you to comment on that, but I will ask you this, please don't take my criticisms to the two of you. They are to the people who ultimately made these decisions.

As we look, we hear a lot about these cuts, and one of the things that we don't talk about is the fact that there was \$778 billion of cuts that took place long before sequestration reared its ugly head. I asked last week for Secretary Hagel to present us with a single time that the administration appeared before this committee or communicated to us and said those \$778 billion were too much. So far I am holding in my hand all those responses. It is all I expect to get.

The second thing is I heard this discussion about our combatant commanders, kind of suggesting that maybe these guys just came in with these wish lists. We have had seven combatant commanders testify before this committee. Their testimony is what we use for our posture hearings, what we use to base this budget on. They are our gold standard. I asked Admiral Locklear, do you fluff these requirements, or are they the requirements we had? He said, I can assure you they are not fluffed; they are what we need.

Mr. Secretary, one of the things that frightens me are the facts that in 2007, before this administration came into office, the reality is we met 90 percent of the combatant commanders' requirements. This year, we will only meet 43 percent. And what is our response? Not more ships but paper ships. When we talk about a 30-year shipbuilding plan, one of the things we ignore is this: We will build half the ships today that that 30-year shipbuilding plan had in it 10 years ago. Next year, we will build half the ships that the 30-year plan had in it 10 years ago. And even if we took the shipbuilding plan, there is a \$6 billion deficit per year in getting to the number of ships that we need in there, and they are just paper ships.

The second thing, Mr. Secretary, I look at is this. You have issued, and you were kind enough to notify us, we are going to change the counting rules of how we count the ships. I don't know if this has gone into effect. I don't know when it goes into effect, but here is the fact: 60 seconds before this new rule goes into effect, the Navy will have officially 283 ships. The moment it goes into effect, 60 seconds later, we will have 293 ships. They are paper ships. Not one of those things in that shipbuilding plan or this change in counting help meet a single one of those requirements for our combatant commanders.

And then the chairman asked about the carrier, and there is a huge disconnect between the rhetoric we are hearing and the actions that are being taken. We say we are not going to reduce our carriers down from 11 to 10, but the reality is this: \$243 million

this committee put in to do the planning for a year to get ready for that refueling; we are taking it out. If you wanted to reduce our carriers from 11 to 10, you would take it out. If you wanted to leave them in and to delay the decision, you would leave the money in. Four hundred fifty million dollars of materials that we need to buy for next year to get ready, that is not even in the President's budget. It is taken out. If you wanted to keep 11 carriers, we would leave it in. If you wanted to take them out, you would take that money out.

And then in the FYDP [Future Years Defense Program], we have removed the carrier from the FYDP. It was in last year's FYDP. It is not in this year's. So, reality, Mr. Secretary, what we are really doing is we have made the decision to go back from 11 to 10. We are just waiting until maybe after November or something to announce it, but you have taken all the steps with the actions to take it out.

Here are my two quick questions for you. One is this: Why didn't the President, if he was going to keep 11 carriers, include that in the budget that he submitted, which is \$115 billion above the sequestration numbers in the Budget Control Act? And then the second thing is, do you have any historical data that suggests if we make that decision next year and put all that money back in, that you could possibly meet the timelines that would be required after you have lost 2 years to make sure we don't go down from 11 to 10 carriers?

Secretary MABUS. Yes, sir. The decision that we brought forward on the carrier was to move—was to give us another year's decision space. And one of things we looked at very closely, because we are heel-to-toe in these carriers, is, can we meet the timelines? If the decision is made next year, in fiscal year 2016, we have exactly the amount of time, the correct amount of time, to get the *George Washington* out and to put the next carrier in with the materials, with the supplies, with everything. So that was one of the things we looked at very carefully before we made the decision to defer this for 1 year. And we have been given guidance to prepare, as we are looking at the fiscal year 2016 budget, to prepare with the carrier in that budget. That is at least the initial guidance.

Mr. FORBES. Thank you, Mr. Secretary.

The CHAIRMAN. Thank you.

Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman. I have a series of questions first for General Amos on the dwell time question and the numbers in the Marine Corps. As I understand it, your desired number is one 185.5, and the number you are getting is 175. Is that about right?

General AMOS. Congressman, the number that our Nation needs its Marines Corps to be is 186.8.

Mr. LARSEN. 186.8.

General AMOS. And that will be a roughly a 1:3—in fact, it will be a 1:3 dwell.

Mr. LARSEN. Yeah. So, the question—so, that is about—the 175 is about a 6.2 percent decrease from 186.8, but the dwell time though then drops from 1:3 to 1:2, which is about a 33 percent decrease in dwell time. Can you briefly explain to me that jump?

General AMOS. Yes, sir. It is capacity. It is simply the numbers of battalions and units we have to do what we call steady state operations, and that is those units that are forward deployed in the Pacific. They are rotating units. Those are those units that are aboard ship on Marine Expeditionary Units, Amphibious Ready Groups. Those are the units that are in Afghanistan. Those are the units—although they will be coming out; that should take care of itself here soon. It is those marines that are in the Special Purpose MAGTF, Marine Air-Ground Task Force, that is in Morón right now.

So those steady state requirements drive us at a 175K force to a dwell of 1:2. If we go to combat, it is 1:0. It is, you just go and you come back, so that is what it is. In a 186K force, we have enough elasticity and capacity where we can go on a deployment for 6 months and then come home for 18 months, and then go for 6 months and come home for 18 months. It is just a function of capacity, Congressman.

Mr. LARSEN. Yeah. I think I understand it better. Thanks.

Admiral Greenert, I might have missed it, although I was here, but you mentioned that the sequestration would lead to a high risk to specific missions, and I didn't quite—then you jumped to another part of your testimony. You might have jumped back to what those specific missions were that were going to be subject to high risk.

I have a question for Secretary Mabus, so don't take the 3.18 to answer this.

Admiral GREENERT. Yeah, I understand. Thank you, sir.

Deter and defeat aggression, that is the—with the retirement of the carrier, the deterrence force, that means presence. What do I have presence? What do I need to deter? And in defeat, one—conduct one, one MCO [major combat operation], if you will, for that, so that was the first mission.

The second one is project power in an anti-access area of denial, and that is keeping—if we don't keep pace with the high-technology capabilities we are bringing in, and we have to face a high-technology adversary—of an advanced adversary, then that risk continues to grow as we go through the FYDP.

Mr. LARSEN. Those are the two main ones. Yeah. Thanks.

And Secretary Mabus, we know that over the last couple of weeks, because the NATO [North Atlantic Treaty Organization] mission in the Baltics has shifted to us for this quarter, we have increased the number of airplanes there by four, I think four additional F-16s to do air patrols on the Air Force side. I was curious if over the last several weeks, if the U.S. Navy, as part of its NATO mission or as part of a U.S. mission, has been asked to increase or maintain any presence in the Mediterranean or near the Black Sea to assure allies in the region.

Secretary MABUS. One of the things that we endeavor to do is to have that presence there all the time, not just at the right place at the right time, but the right place all the time. And I think that this is one of those examples of where we do have the right presence at the—all the time, whether—regardless of the region.

Mr. LARSEN. Yeah. Is there anything specifically that you can point out?

Secretary MABUS. We have a DDG in the Black Sea now, a long-planned exercise that we have—that we do every year. The Marines have a force called the Black Sea Rotational Force that we go in, exercise with our allies, with our friends, with our NATO members there, and we are continuing to do that, forward deployed all the time now, as we have in the past.

Mr. LARSEN. All right. Thank you.

And then, with the time I have left, I will yield back, but just momentarily just to put in a plug: I appreciate the Navy and Marine Corps' investment in electronic warfare. Obviously, it is close to home, but just while it has fallen upon U.S. Navy to provide the air attack capability for electronic warfare, so that continued investment on the electronic warfare side to go along with platforms is pretty key and it is something we will be exploring with the other services as well. So I appreciate that and yield back. Thank you.

The CHAIRMAN. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And I would like to thank each of you for being here today, particularly General Amos. We appreciate your association with South Carolina. I am very grateful that I represented Parris Island, and I saw firsthand your success in training young marines and giving opportunity. I am also grateful that my late father-in-law and late brother-in-law were proud marines, so we associate with you and wish you well in the future.

And Admiral Greenert, I am very grateful I have a son under your command, so it is personal. We are very proud of his service.

And Admiral, what is the status of the Navy contribution to the National Mission Forces, Combat Mission Forces and Cyber Protection Forces of the U.S. Cyber Command, which is to be located at Fort Gordon, Georgia?

Admiral GREENERT. We were tasked, and it started in fiscal year 2012 actually, to stand up a series of task force. And what these are, these are groups of around 40 cyber warriors who have specific skills to enter networks, if you will, to be able to rummage around to look for the right stuff, and as necessary, I will just say, provide effects, and we are stood up. We are on track. In fact, we are ahead of track to stand up those, I think all told, 16 teams, and we provide those around the world to combatant commanders.

Mr. WILSON. And I have visited the facility, and you would be proud to see in the midst of an Army complex, Navy personnel looking very "strack."

Admiral GREENERT. Yes, sir, including civilians. This is very joint and interagency.

Mr. WILSON. And so important for the security of our country.

Secretary Mabus and General Amos, I am very concerned about the unintended consequences of the decision to raise the minimum wage for Federal contractors. This has an extraordinary potential to destroy jobs, totally unintended, and these—it is quality of life. And as chairman of Military Personnel, it concerns me, and that is that employees of chain restaurants on military installations—it could be Subway, Taco Bell, Burger King—that they could be subject to this regulation, which would make the businesses non-

profitable. They would close. People would lose their jobs. And the services provided for quality of life could be eliminated. I hope that you are looking into this so that this can be avoided.

Additionally, we have other services, such as barbershops, that won't be able to provide the services that are necessary. Additionally, another benefit that has been so positive for military families are little kiosks, where you have small tiny businesses where persons operate, and this is perfect for military dependents and spouses. All of these are at risk.

And Secretary, are you aware of this, and what is being done?

Secretary MABUS. Congressman, the benefits that you have laid out, the quality of life, we are very aware of this, and we are very cognizant that these things remain for marines, for sailors, for their families.

However, as you know, there is very conflicting and imperfect evidence as to which way this goes, and so we will continue to watch it, but in terms of making sure that the quality of life for everyone, our sailors, our marines, their families, and the people who work on those bases, we are going to keep an eye on that, and we will make whatever recommendations are appropriate.

Mr. WILSON. And to me it is really very clear, and that is, where you have a wage differential on-post/off-post, and then you have to raise prices on-post, I know something about our military and their families; they are very bright. They will shop off-post, and it would be a spiral out of control, closing these businesses, destroying entry-level jobs. Additionally, it would create a circumstance where you would have a wage differential on-post/off-post, and it would be not sustainable. And so the way to address that is to close the on-post facilities, again affecting military families, and I just see this as just—and it couldn't possibly have been an intended consequence.

The unintended consequences, really catastrophic to jobs and to quality of life for our military, and I hope you look into this right away. It is—because the contracts are going to be negotiated soon. There have already been some closures and planned closures at strategic locations around the world. Thank you very much.

Secretary MABUS. Thank you.

Mr. WILSON. I appreciate you all's service.

The CHAIRMAN. Thank you.

Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

And welcome, Secretary Mabus.

And General Greenert, I am always very proud to say our former commander, Naval Forces, Marianas and Guam.

And General Amos, I do appreciate all your service and your continued commitment to the realignment of marines and to a robust Navy presence on Guam.

And I think this year's budget does show a clear commitment on your part to our rebalance strategy.

General Amos, can you comment on the progress that we have made in the last year regarding the realignment of marines from Okinawa to Guam. Can you comment on the significance of the Governor of Okinawa signing the landfill permit and how important is it to remove the restrictions on Government of Japan's

funds in this year's defense authorization bill. What impact do those restrictions have on our partnership with Japan?

General AMOS. Congresswoman, first of all, we remain, as I said last year, bullish on this move to Guam. We are planning on it happening. We need it to happen to aid in our redistribution of the forces in the Pacific. We sit today at about a little over 22,000 marines west of the International Date Line. As you recall, Secretary Panetta's goal was 22.5. Now, they are not all in the right spot, though. We have got more on Okinawa than we need, and we will eventually go down to 11,500 in accordance with an agreement between Japan and us; 4,700 of those will—roughly 5,000 will go to Guam. We are still planning on that.

Two construction projects are under way right now, the underground utilities that go out to the North Ramp of Andersen Air Force base, and there is a maintenance facility that is being built there. We have in 2015 a hangar to be built at the North Ramp. So those are all things that are unencumbered by the NDAA [National Defense Authorization Act] specific language on restrictions. So we are planning on doing this. As you know, the environmental—the supplemental environmental impact statement should be complete, scheduled to be complete towards the end of this year. That means by early 2015, next year, this time by next year, we should have a record of decision, and when that happens then, that then allows the—assuming that it goes the way we hope it goes, that allows then the planning for the construction of the training ranges and the living cantonment and the building cantonment and our headquarters. So, we are actually doing well.

There is money in the budget all the way out till 2020 and beyond to do this, but you are absolutely right. The NDAA is pretty strident with regards to not spending money until we have a comprehensive plan for Okinawa, Guam, the realignment in the Pacific and Hawaii, so we are going to need some help to try to break free some of that, those restrictions with Congress, to allow us to spend some of the money that is already in our budget and that is in Japan's budget to be able to build the facilities we need on Guam in an iterative fashion.

Ms. BORDALLO. Thank you. And we will continue to work on that.

The next question I have is for Admiral Greenert. At a hearing last week, Admiral Locklear indicated that it was very important for there to be a robust depot-level ship repair capability with a dry dock on Guam. Now, I think we can all agree with that assessment.

Admiral, can you elaborate on why that specific capability is important to the Navy and our readiness overall in the Western Pacific. We have spent many, many years building up a specialized workforce on Guam, and I would hate to see that capability decline and for the MSC [Military Sealift Command] ships to be going to foreign countries for repair when we do have the capability on Guam.

Admiral GREENERT. Ma'am, Guam is very important to me, to Admiral Locklear, to Admiral Harris, our commander of the Pacific Fleet. It is strategic. I agree with Admiral Locklear's assessment. I want to and I will do what I can to move this ship repair contract, get going, get back up to speed. I am with you. We have got

to get workers working. I don't want to go back, you know, all the way to the U.S. It is a long way back there to do ship repair, and I agree, we ought to have a dry dock facility there as soon as feasible. We have got to get old Big Blue up and certified or whatever it takes.

Ms. BORDALLO. Or to be sending these ships to foreign countries, Singapore and other areas.

Admiral GREENERT. Yes, ma'am.

Ms. BORDALLO. I think we should be repairing in a U.S. facility.

Admiral GREENERT. Yes, ma'am.

Ms. BORDALLO. Thank you very much.

Thank you, gentlemen. And I yield back.

The CHAIRMAN. Thank you.

Mr. Conaway.

Mr. CONAWAY. Thank you, Mr. Chairman.

And gentleman, thank you for being here, and I sincerely appreciate each of your long distinguished careers and service to our country. We are a better country for all of your service.

Secretary Mabus, I am sincere about that. You and I disagree on something of some import to me anyway, and so don't let that disagreement distract from my appreciation for your service.

Two thousand nine, when you and the President launched this greening of the Navy effort, we had dramatically different circumstances than we have right now. In your written testimony, you are still committed to that, so I don't anticipate changing your mind with my eloquence, but I would like to point out that we are different. All three of you talked about how difficult the budget circumstances we find ourselves in, sequestration, cutting spending, top line budgets, numbers have been going down. All of that is different from 2009.

On the supply side, the security side, dramatic increases of oil production during that timeframe, unanticipated, quite frankly, 2009, but that is now the reality that our domestic production is going up, and so, from a national security standpoint, pursuing fuels that might fit that gap if couldn't get at anything else might make some sense, but clearly, biofuels are not in that category.

In your written testimony, you announced that you signed a contract with four different contractors to provide 160 million gallons per year of bio jet fuel at \$4 a gallon, which is at or near the commercial cost. Can you tell us when that will be delivered, and can you tell us, does that amortize all of the investment that the Department of Defense, Ag [Agriculture] Department, and Energy Department have paid, and why do you think that effort will be any more successful than, say, Solyndra or any other efforts that the administration has made at juicing this market?

Secretary MABUS. I appreciate the opportunity to talk to you about this, and you may—we may have more things in common than you think. The reason we are doing this is so that we won't have to cut ships. The reason we are doing this is so we won't have to cut training or steaming or flight hours. And I am really happy that oil and gas production has gone up in the United States, as virtually all Americans are, but even if we produce all the oil or the petroleum that we could possibly use—and the military would go to the front of the line no matter what.



Mr. CONAWAY. Right.

Secretary MABUS. Oil is a global commodity, and it is traded globally. We have been presented in Navy with \$2 billion in unbudgeted, unanticipated fuel bills in fiscal year 2011, fiscal year 2012, the most recent complete numbers that we have. What we are looking for is some competition for petroleum. What we are looking for, to go along—you and I have the same notion. If you replace one thing with another, it has got to be a drop-in fuel, and it has got to be competitively priced. And as you pointed out, that 160 million gallons of both aviation and also marine diesel will come online in 2016. That moneys, those moneys and those gallons coming to the fleet will give us the ability to mitigate some of those price spikes.

Mr. CONAWAY. Okay.

Secretary MABUS. Some of that security premium that oil traders talk about. You don't have to look any further than the last couple of weeks when—

Mr. CONAWAY. Just a second. Let me—

Secretary MABUS [continuing]. Price of oil goes up.

Mr. CONAWAY [continuing]. Cut you off with that, but I do want to get to one other point that we do agree on.

You mentioned that for every dollar increase in the price of a gallon—of a barrel of oil, that it costs you \$30 million. Would you provide the committee that computation for how that works?

Secretary MABUS. Sure.

[The information referred to can be found in the Appendix on page 153.]

Mr. CONAWAY. And then the remaining time, General Amos, I need to get you on the hook for bragging on the Marine Corps for their audit that they recently got, and also, I would like a head nod from the other gentleman about continued commitment to getting the Department of Defense books in an auditable condition before 2017.

And I hope, Secretary, I have your commitment to that as well as Admiral Greenert, but I would like for General Amos to talk about his Marine Corps efforts in that regard.

General AMOS. Congressman, thank you. It was painful, took longer than we hoped. It was actually a fiscal year 2012 audit that I just reported out, as you are aware, just here late this past fall, but we are the first service that have gone through it, so we were breaking trail, so to speak, on it. I am very proud of it. We are involved right now in the next year's audit, and so we are back into it again, but I am proud of the effort because it was—when you track—can you imagine trying to track every single dollar that goes from operations maintenance, training, ammunition procurement, so thanks, thanks for the kind words.

You do have my word that now that we have done it once and we know it is possible, we are going to continue to do it because this actually gives us visibility inside the corps to be able to figure out where the money is going. And we are—and we can track it now. We have mechanisms that we track where our money is going and how it is being spent.

So thank you, Congressman.

Mr. CONAWAY. All right.

Secretary, real quickly.

Secretary MABUS. As a former State auditor, you and I sure agree on this, and number one, the Navy is on track to meet its audit requirements. And you and I can go back and forth in private on some of these technical things, but we are on track to do that. And the Marines, as marines do, are leading, as always.

The CHAIRMAN. Thank you.

Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

I want to thank the witnesses for being here today.

General Amos, I just want to let you know that wounded warrior from Ellington, Connecticut, Corporal Caron, appreciated your good wishes when I saw you at the shipbuilding breakfast. And again, I want to thank you for your interest in his amazing recovery and your great career.

And also, as similarly asserted by Mr. Conaway and the auditability reform committee, kudos to the Marines for getting us to that point. I mean, this is something that is a must now, obviously, with all the budget challenges that we are talking about. We have to see how the money is being spent, so congratulations on that great achievement.

Secretary Mabus and Admiral Greenert, there is strong bipartisan support for getting a 300-ship Navy. Again, I want to just follow up some of the comments earlier that during your tenure, as your testimony points out, you have put 60 ships under contract. I have been around here long enough to know that we were not even close to that pace in the preceding 4 years, and again, I think that is something people have to be mindful of. Your commitment to getting us there is based on real results. It is not a talking point for you. You are getting it done, and I think, you know, people need to remember that as we sort of discuss the challenges that face us.

What I would like to spend a minute with you with is a question that came up with Secretary Hagel last week, and you started this discussion by saying that, again, all the reasons why we have to get SSBN [ballistic missile nuclear submarine] online on time is proceeding smartly, but the fact is, is that we are going to hit a point where we have got to start paying for building them, and the impact on that 300-ship Navy is going to be quite dramatic. And as you point out the other day, a national conversation really has to take place here. For 70 percent of the triad, the Navy's budget can't be treated as a one-third commitment in terms of the security requirement. So, again, I was wondering how we get that to the next level so that we sort of move it out of the realm of just sort of pundit talk.

Secretary MABUS. Well, first, thank you so much for what you said. We are on track with the *Ohio*-class replacement, as Admiral Greenert said. We are on track with the engineering, with the R&D [research and development] that is going on now. We are on track to do the advance procurement. We are on track to begin building, and we are on track in terms of the Common Missile Compartment with our British allies, but as you rightly pointed out, when we are building *Ohio*-class replacement submarines, it will take up at least a third every year of the Navy's normal shipbuilding budget. We are the most survivable part of the nuclear triad, of the nuclear

deterrence, and it—as I said and as you just said, there needs to be a decision, after a full debate and full conversation, on that shouldn't be the trade because it will have a dramatic and not good impact on all of our other shipbuilding programs, including our attack submarine programs, which is one of the places we have a very large technological tactical edge right now and into the future.

So, I think that just making people aware of the start numbers of what will happen to the rest of the fleet if this entire shipbuilding for the *Ohio*-class replacement is taken out of normal Navy shipbuilding, number one, it is a national program, but number two, we also don't replace these things very often at all. They last for decades, and the ships that we are building now, the boats for the *Ohio*-class replacement, will last into the 2080s, and so we ought to view it through that lens, and we ought to have that conversation.

Mr. COURTNEY. Admiral, did you want to—

Admiral GREENERT. Well, sir, the year of reckoning is 2021, it is right around the corner, and that is about a \$9 billion to \$10 billion—it is the procurement of the first boat. It is high, but they are always high in the first. That does a lot of R&D, as you well know. Two years go by where we don't procure as we build the first, and then we build one, and then it is every year, it is about \$6 billion in those years' dollars. As the Secretary said, that is about a half and maybe just a little less than half of the budget. It will clobber the budget, and our priority, of course, is sea-based strategic deterrent, but it is also the undersea domain. That is right behind it. So where do we get the money? Submarines, destroyers, P-8s, they are all contributors to the undersea domain; so sir, we need relief is what we need from this burden.

Mr. COURTNEY. In the defense bill this year, we can start working on some language to start really making this, again, more than just a talking point in the hallway. You know, if we care about a 300-ship Navy, we have got to deal with it.

I yield back.

The CHAIRMAN. Thank you.

Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman.

Secretary Mabus, Admiral Greenert, General Amos, thank you again for joining us today and thank you for your service to our Nation.

General Amos, thank you for 44 years of service to our Nation as a marine, and thanks so much for your leadership. You have led our marines through 13 years of conflict, and we appreciate that.

Please thank Bonnie, too, for the great job she has done in supporting our marines and their families. Thank you. Thank you.

I am going to begin, Admiral Greenert, with you to look at where we are, from a Navy perspective, concerning our L-class ships.

And General Amos, I also want you to be part of this discussion.

We are looking at the next generation replacing the LSD.

General Amos, you spoke very eloquently and passionately about saying that the LPD 17 hull form is the way to go for a variety of reasons, and in answering Mr. Palazzo's question, you laid out a lot of those, but I do want to get your perspective on, from both you gentleman, about why you believe the LPD 17 hull form or

that class of ships is the best way going forward to meet the Marine Corps' needs and to make sure, too, that we have a platform that is functional and is in the fleet in a timely manner.

Admiral GREENERT. Well, I will start, sir. If it is the most cost feasible for the capability, I am very sensitive. Jim Amos is my customer, so I have to understand that. We need to bring the Marines the capability they need. We already have the infrastructure in place to repair it, to maintain it, to train people to it, to buy stuff that goes in it, you know, from air conditioners to diesels, you name it, you know what I am saying, to weapons systems, so that would be very nice if that moved in there very eloquently and we could afford it.

So I turn to, as I was kind of talking to Mr. Palazzo earlier, if we could get a transitional piece, you know, a seed money or something—we did this with the *Virginia* class—hey, that might work, and we have done it before. So, anyway, it is all of those that makes it—and you know what, that is a pretty successful class now.

Secretary MABUS. And just to follow up just for 1 second.

Mr. WITTMAN. Sure.

Secretary MABUS. LPD 17, the first in that class had—as the first of the class, had some issues.

Mr. WITTMAN. Right.

Secretary MABUS. And it got a lot of press, a lot of press. Are we going down the right road? Are we doing the right thing here in the Navy? The last two LPDs, 24 and 25, have had no starred cards, no major defects during their sea trials.

Mr. WITTMAN. Very good. Thank you, Secretary Mabus.

General AMOS.

General AMOS. Congressman, the hull form issue is simply simplifying the acquisition process and the developmental costs of any kind of platform. It just makes—you know, that is one that makes sense.

Mr. WITTMAN. Sure.

General AMOS. Developing something brand new costs more money than we think, takes longer than we think, and it is fraught with more danger than we think. Doesn't mean we can't develop, doesn't mean we shouldn't, you know, but that is really the hull form of that class ship, which has been so, so successful at this point to the point of everybody else.

And I am going to step a little bit out of my lane here, but I tell you what, the truth of the matter is, everything—when you start talking United States Navy and capital investments, they cost a lot of money.

Mr. WITTMAN. Yeah.

General AMOS. This is not like buying a Humvee for \$250,000. This is buying a ship for \$2.3 billion or buying an *Ohio*-class replacement submarine that is going to consume his entire—the bulk of his entire shipbuilding plan for when it finally comes in.

The truth is, is that my personal opinion, we are out of balance in the budget.

Mr. WITTMAN. Sure.

General AMOS. Not so much Congress but within our Department of Defense. The Department of the Navy in the Navy shipbuilding

program needs more money. This is not a proportional solution set because the ships are expensive, and they are, they are capital investments, and by the way, they will last for 40-plus years.

Mr. WITTMAN. Let me ask this. I want to lead right from your answer to a broader question. Where we are proposing to go with our Navy and as a component of that, our amphibious ships, look at the world we are in today, being more dangerous with more need to be able to project power to respond to humanitarian needs and the overall effort that this Nation needs to place, if we don't have a Navy that has those 11 aircraft carriers, that has the next generation L class ship, that has the SSBN(X), two questions: Will our men and women that we ask to go in harm's way, will they be put at greater risk, i.e., will more of them be killed on the battlefield? And will there be an increased possibility that if we are in a conflict, that we would lose that conflict? And I would like each of you gentleman to answer that, and you can quickly do it yes or no.

Admiral GREENERT. I will answer the second one first. Yes, we have risk in our ability to take on an advanced adversary, as I spoke to, and I am concerned about that. But in your first question, my job is to make sure that our people that go forward have the finest equipment and they are organized, trained, and equipped, and so, for me, I would always come to Secretary Mabus and say, Boss, our budget has to have the right readiness. I cannot send forward—I will get smaller to be good and to make sure that they are good and that they are safe.

Mr. WITTMAN. Secretary Mabus.

Secretary MABUS. I will just echo what the CNO said. We are over time, but we will make sure that people that go in harm's way, and that is what we are trying to do with the budget, have the right equipment but also the right training, the right things they need all the across the board. We should never go into a fair fight.

Mr. WITTMAN. Gotcha.

General AMOS. Congressman, the few of the ships—fewer numbers of ships, less capable they are, means the longer it takes to build up combat power when it is needed, not if it is needed but when it is needed. The longer it takes to build combat power puts our young men and women at risk. It is a complementary equation.

Mr. WITTMAN. All right, sir.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you.

Mr. Peters.

Mr. PETERS. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here and for your service.

I would—I want to talk a little bit about energy as well. Specifically, I have a question about specifically how it affects the rebalance. But the Navy has demonstrated its commitment to energy security and efficiency through goal setting in its program initiatives, that the stated strategy is to—is that energy security is critical to mission success and that energy efficiency minimizes operational risks while saving time, money, and lives, and I want to say I thank you for that.

Specifically, at MCAS [Marine Corps Air Station] Miramar, I know that you are doing some methane power generators, solar panels, working on a microgrid, interested to see how the microgrid work comes out when it is completed. And what I want to ask, though, and this is a little bit broader than biofuels, which I have raised in past, is in the context of the rebalance to the Pacific, how does that affect Navy energy security? And you have got that huge expansive region and the geographically fragmented energy infrastructure. Now we want to emphasize our presence there. How does the Navy intend to ensure that it can meet operational energy requirements to carry out its missions and reduce fuelling vulnerabilities in that region?

Secretary MABUS. Well, you just gave the best rationale for what we are doing. Number one is energy efficiency so that we don't have to have as much energy, and we are doing stuff ranging from things like voyage planning to hull coatings to stern flaps to changing the light bulbs in ships, all of which save pretty significant amounts of energy on board that ship.

We are looking, as you pointed out at Miramar, we are looking at alternative energy. If you look at some of the places across the Pacific, at Guam, at Hawaii, at Japan, at Diego Garcia, where we—all of which, where we have significant infrastructure, very high energy rates there. So if we can move to a renewable energy, a lower cost so that we don't have to have that vulnerability of shipping oil and gas to some of those places, that will also help in that energy security.

Mr. PETERS. Is that affecting acquisition and procurement?

Secretary MABUS. We are well on our way to the 50 percent alternative fuels for Navy, both ashore and afloat.

Mr. PETERS. Okay.

Secretary MABUS. And so, in that sense, yes, it is, but it is, in many ways, the new normal. That is what we are going after and, on the other side of the coin, for far more efficiency in whatever we do.

Mr. PETERS. Admiral.

Admiral GREENERT. We are—maybe I can quantify a little bit. The Secretary eloquently laid it all out. In sailor terms, you know, when a Hornet pilot takes off from the carrier, the first thing they do is say, Good, I am in the air. The second one is, Okay, where is the tanker? And in a more efficient Hornet engine, that is less other Hornets—these are strike fighters—that we have to use to be tankers. So, I mean, that is real warfighting eventually, so 5, 6, 7 percent, that is other aircraft that we put back into the flight.

The Secretary mentioned stern flap. That will get you 5 days, additional days at sea that you don't have to look for an oiler. That is the unique part of being a sailor, where am I getting food, because you ain't going to fish for it. It is going to run out. And then secondly, we have an engine that will get us 10 days, so it becomes real stuff pretty soon.

Mr. PETERS. Well, I want to commend the Navy and the Marines for thinking about both insulation and fuel in terms of alternatives and security. It is heartening, and I think it is smart in this budget context, too. Also, Admiral, I did want to thank you on the recent visit to San Diego that you made, and you are welcome back any-

time. I think you were the one who coined the term "solar vortex," which we have gotten a lot of mileage out of. I appreciate that. Thank you.

Mr. Chairman, I yield back.

The CHAIRMAN. Thank you.

Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

Secretary Mabus, you brought up earlier one of my primary concerns, which is that as we cancel multiyear contracts, we pay more per item and get fewer of them, and it is recognizing budget constraints. I am concerned that, you know, some of the decisions we are being forced to make are pennywise and pound foolish, as we would say.

And that brings me to the MH-60, and Admiral Greenert, I understand that you are considering reducing the purchase by 29 aircraft, if I am correct with that. And my question is, what is the cost of terminating that procurement versus the cost of actually continuing to purchase the 29 helicopters, and what type of negative impact do you expect with the reduction in the equipment?

Admiral GREENERT. Well, sir, if we get a good outcome on the aircraft carrier, I need to continue because I need the helicopters for the air wing. We would continue purchasing at least another year on that. So I will just state that up front.

But I will have to get you the precise numbers on shutdown. But I am pretty sure it is about the same to shut down and terminate and—those costs as it does—because it struck me when I remember talking to my guys about it.

[The information referred to can be found in the Appendix on page 154.]

Mr. SCOTT. And that is what we have seen as well, but I would appreciate those numbers. And it just doesn't make sense to me that we would pay the same thing to terminate a contract as we could get the 29 additional aircraft for, even if we—if we didn't have a need for them, certainly we have allies out there that would need them.

General Amos, thank you for your service. As you know, I have had the opportunity to do a Wounded Warrior hunt with several marines, and they wanted me to make sure that I spoke up for a couple of things, one being the A-10, and they sure would like to have a .45 instead of a 9-millimeter.

But with that said, the JSTARS [Joint Surveillance Target Attack Radar System] fly out of Robins Air Force Base. We are very proud of them. The Air Force has proposed to recapitalize them, which would give you more information—more accurate information and, hopefully, improve that battle management platform.

If you could just speak to the benefit to the Marines of that JSTARS battle management platform, I would appreciate it.

General AMOS. Congressman, first of all, I would like the .45 instead of a 9-millimeter, too, but that is for another budget at another time.

But it has been—it is a combat-proven platform, back to the JSTARS battle management airplane you are talking about. It has done well in combat. It served us well all through the march up

to Baghdad, going all the way north and then settling in that area afterwards when we came back in.

So it has been a battle-tested platform. It gives us the situational awareness while we are on the ground of what it is seeing in the air, a moving target indicator and a few other things that is very critical to us. So it is a battle-tested program.

I can't speak to programmatic decisions being made by the Air Force. The Chief of Staff of the Air Force is struggling with the budget exactly the same way we are while we are trying to all figure out how we can pay our bills to provide the best combat readiness our Nation needs.

Mr. SCOTT. Well, thank you. And the beauty of the JSTARS, obviously, is that the radar can see such a large area and it is a big world out there.

Gentlemen, Secretary Mabus, thank you for your service.

With that, I yield the remainder of my time, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Kilmer.

Mr. KILMER. Thank you, Mr. Chairman.

And thanks to each of you for being here and for your service.

Before I ask a question, I actually just wanted to lob a comment. We are hearing a good amount of interest from folks in my neck of the woods around reauthorization of overtime payments for Navy civilians who are working on the forward deployed carrier in Japan and I was hoping that the Navy would be supportive of that reauthorization.

For questions, let me start with Admiral Greenert.

Can you talk about how much risk we are assuming by not fully funding the expected amount of depot-level work for our vessels. And, you know, what is the expected amount of savings that will result out of that decision? And is there a reasonable expectation that we can pay for the costs of implementing that decision in the out-years?

Admiral GREENERT. Well, the definition "fully fund"—there is the request, and then we would be our comptroller and—working with NAVSEA [Naval Sea Systems Command] to—there are a number of programs—you are probably aware of many of them—we have in place to improve the efficiency of each of our depots. So we ask them, "How is your program going? What is your goal for the year?"

We apply that to their budget request and that becomes, if you will, the lesser funding. So we might fund the 97 percent or whatever that number turns out to be. I know the rolled-up number, but each depot is different.

If we don't get that right, that is man-days that aren't—the work that doesn't get done, because we thought it would take 2,500 man-days. It takes 2,650. So there is a little bit of risk in that. And you got to come back around the next budget cycle and fix it, and we have had to do that.

But, sir, you know, we have to—we got to be efficient with the taxpayers' dollars and be good stewards. So we—and they have really responded. The depots have responded. They are much more efficient.



Mr. KILMER. Are there specific alternatives that the committee ought to consider to fully fund that depot-level maintenance to protect the investment that we are making in our naval—in our maritime vessels?

Admiral GREENERT. I wouldn't suggest it. What I mean by that is we—I think you had asked us to sit down and say, "What have you assumed in those efficiencies, if you will, such that we would like"—I commit to you that what we have presented and Secretary Mabus has approved on my behalf is fairly closely scrubbed, sir.

Mr. KILMER. Thank you.

Secretary Mabus, the committee is currently undergoing a multiyear effort to review acquisition systems and I wanted to hear from you about what you see as the biggest challenges to the Department of Navy in terms of shipbuilding and in terms of non-major defense acquisition programs.

Are there specific considerations that we should be mindful of when considering the requirements of the Navy and of the Marine Corps? And, I guess, in short, what can Congress do to help?

Secretary MABUS. Well, the first part of that question, we have been getting, I think, all our acquisition programs well under control, shipbuilding, the aircraft programs that we control. We have done it by competition. We have done it by multiyears. We have done it by block buys. We have done it by using some pretty basic business strategies.

But going forward from that, we are also looking—and I think that, as you take this look—as Congress takes this look—we are looking, for example, at service contracts. We spend about \$40 billion a year on service contracts.

And what we have undertaken—and we are absolutely confident that we can do it—is we are going to take 10 percent of that, about \$4 billion a year, \$19 billion over the FYDP, out of service contracting without really having that much of an impact on what we get.

And that is just by being able to follow money from the time it is appropriated all the way through to the time it comes out as a good or service that we get.

So I would ask you to not just look at the major acquisition programs, not just look at—look at how we and everybody is structured. Look at where the growth has been. Look at what the benefit is that you get from that growth.

And, as General Amos, who I have had the pleasure to serve with now for almost 4 years, said, we build very expensive things in the Navy, but they also amortize pretty well. We just retired *Enterprise* after almost 52 years of service.

So if you break it down on that standpoint, you are getting a lot for your money. But it is a big, big upfront cost, and I think you should look at the service that those platforms give you.

Mr. KILMER. Thank you.

Thank you, Mr. Chairman. I yield back.

Mr. HUNTER [presiding]. Thank you.

Mr. Bridenstine is recognized for 5 minutes.

Mr. BRIDENSTINE. Thank you, Mr. Chairman.

I just wanted to ask Admiral Greenert—I have an interest in specifically the Growler. As a Navy pilot, I have been deployed on

aircraft carriers. And the EA-6B Prowler would become a national asset as soon as we got into theater. It would depart. We would lose it as an organic asset to the aircraft carrier, to the air wing.

And I know right now we are slated to have five Growlers in each squadron on an—or in an air wing. And I was wondering—there is a concern I also have about not just not having enough assets, but also a concern about the risk that is injected when we take the F-18 off production, given the F-35 has had some risks.

My question is this. I saw that you put out a recent unfunded priority for additional Growlers following the release of the budget and I was just wondering if you would talk about that priority and the unfunded piece of it.

Admiral GREENERT. Yes, sir. What we have done is I submitted—in consultation with Secretary Mabus, I submitted, in responding to the chairman's request to the chairman and the Secretary of Defense for their look, an unfunded requirements list. Yes. I put the Growlers on there.

The issues became—you articulated some of it—when you look at requirements, we are at minimum requirements, as we know it. However, I look to the future. And, to your point, electronic warfare, electronic attack, is critical. It gets us joint assured access. I see a growing need, number one.

Number two, there are a few studies going on looking at a joint requirement. Well, that is us. We are the provider. So my view was, for hedge and for risk reduction, I thought it would be appropriate to describe what I view as a need—a future need and potential requirement.

Mr. BRIDENSTINE. Secretary Mabus.

Secretary MABUS. We are the prime service now to do electronic attack, as you pointed out.

Mr. BRIDENSTINE. Yes, sir.

Secretary MABUS. And for that reason and for what the CNO said, we are five planes in a squadron today. Looking out in the future, we don't think electronic attack is going to get any smaller.

We are also very mindful of the industrial base. And if we buy the Growlers that we have in the budget, that line will continue through 2016. And I know that we are working on things like foreign military sales, things like that, to keep that line in business.

But to the CNO's point, today we have the minimum numbers in each squadron. Looking out to the future and to what electronic attack may or will become, it is an insurance policy. It is a hedge.

Mr. BRIDENSTINE. Sure.

Admiral Greenert and Secretary Mabus, what is the role of low-cost autonomous surface vessels in the fleet of the future? What steps is the Navy taking now to build autonomous surface vessels?

Admiral GREENERT. I see them for—you can use them for security, for sure. You know, they would be surveillance if you go in a harbor. We have done that already, by the way.

But this summer we will be demonstrating autonomous unmanned surface vehicles for mine warfare where they go out and actually tow a sensor. We have it in the 5th Fleet arena, the Arabian Gulf. And so I see that as a future—a pretty important element.

I would like to move ahead to we will develop a swarm concept of operations. We do a lot of counter-swarm. I want to flip this. I want to do some swarm. And we have the technology and the means. Now we have to put our efforts to it. That is my view.

Secretary MABUS. We are the only service that does unmanned above the sea, on the sea, and under the sea, and surface unmanned autonomous surface vehicles have to be a part of that future fleet.

And the one example that the CNO used, you are seeing that with the—particularly with the littoral combat ship, sending out autonomous surface—unmanned surface vehicles to hunt mines, to keep sailors out of the minefield, and to be way more efficient in hunting mines than we do today.

Mr. BRIDENSTINE. Thank you, Mr. Chairman. I yield back.

Mr. HUNTER. I thank the gentleman.

The gentleman from Rhode Island is recognized.

Mr. LANGEVIN. Thank you, Mr. Chairman.

Mr. Secretary, Admiral and General, I want to thank you for appearing before us today. And, of course, we appreciate the benefit of your testimony.

General, since this is your last posture hearing before the committee, I just want to express especially my appreciation for your service. I have enjoyed getting to know you and working with you in your position as Commandant of the Marine Corps, and I wish you well in the next chapter of your life. Thank you, General.

Gentlemen, making predictions is obviously a dangerous business to be in, but I certainly think that one point that we can all agree on is, as we look out into the future, there is going to be an ever-increasing reliance on key enabling technologies.

Some are more obvious, like the tactical information networks that make possible many advanced warfighting concepts, including cyber.

Others are more nascent, such as the contributions of future aerial platforms, like UCLASS [Unmanned Carrier-Launched Surveillance and Strike], or future technologies, such as directed energy or rail guns, advanced hypersonics, persistent unmanned surface and undersea vehicles, as we were just discussing a moment ago, next-generation EW [electronic warfare] and radars and future ships, such as the *Zumwalt*.

Admiral, if I could start with you, I would appreciate your thoughts on what those investments, particularly in directed energy and rail guns, mean to the future of the fleet.

And the other question I would like to get to, hopefully, time permitting, is: With the construction rate proposed in the Navy's 30-year shipbuilding plan, the nuclear attack submarine inventory will slowly decline to 43 SSNs in 2028. Assuming the global COCOM demand remains fairly steady, how will the Navy compensate for the projected shortfall of attack submarines and, in particular, for undersea payload capacity as the SSGNs [guided missile nuclear submarines] age out?

Admiral GREENERT. The directed energy, we are going to do a demonstration this summer. In fact, we are down to final certification.

We will load a directed-energy weapon laser on the *Ponce*, which is our afloat forward staging base. It is an LPD. It is an amphibious ship. We have sized it. We have looked at it. We have already demonstrated this particular, if you will, laser gun—laser weapon system.

What—the value of it is its persistence. It costs under a dollar for one round, if you will, laser round. We have already proven it against a drone and against a small craft.

So the deal is I want to get it out there and take a look at it and see how does it perform in that sort of harsh environment, and then we adjust.

Imagine you have a laser. You don't have to have as much ammunition on board and all that brings that. So then you want to miniaturize it. You have to have the power system to be able to produce the power repetitively.

But I think we can overcome on that. We are on a track for that. And then you raise the energy level that it can deliver, and we are on track to do that.

Mr. LANGEVIN. And I applaud the work that the Navy is doing in that respect. I have met many times with Admiral Klunder at ONR [Office of Naval Research] and I am very familiar with that weapon system on the *Ponce* and will be following that closely.

Admiral GREENERT. Secondly, I will comment on the rail gun.

We have these vessels called joint high-speed vessels. They are catamarans. And we have the ability to put the power system in and put a rail gun mounted on the back. And in the summer of 2016—late summer, probably—we want to take that to sea and demonstrate it and see how can the rail gun perform.

The issue with rail gun is the barrel. That high energy that is generated through there can tend to melt the barrel. So we have to get the right barrel and do that right. We are working that and the engineers tell me, "No. We can do this." And, secondly, you have to generate the power for that electromotive force. So those are two right up front there.

The future in submarines—we have a few things up our sleeve to help get through what we call this trough that you alluded to.

One, we will look at deployment lengths. They are 6 months now. Maybe extend a few, and we would pick and choose those.

Two, the maintenance, the time they are off service, can we bring them—you know, can we be more efficient in our maintenance or kind of move that around differently.

And then we will look at where are our submarines forward deployed, where are they stationed, put another way. As you know, we are moving one SSN to Guam here in this budget request.

So if we continue to do that, we will work on the trough, as you say.

Mr. LANGEVIN. Thank you, Admiral.

With time permitting, we have obviously invested billions of dollars to ensure that our aircraft carriers can project power anywhere on the globe.

It is critical that we continue to make the investments to ensure that we are leveraging our carriers' impressive capabilities to the maximum extent possible.

How do you envision Unmanned Carrier-Launched Surveillance and Strike enhancing the carrier air wing?

Admiral GREENERT. Well, as a minimum, it will—the very minimum, it will provide a fueling capability, but that is not its primary purpose.

That returns, as I was mentioning earlier, Super Hornets—joint—excuse me—strike fighters right to the air wing. So immediately the air wing is better. They will be an integral part. But they can do refueling, ISR [intelligence, surveillance, and reconnaissance]. So they will go out and surveil.

Our requirements are you have to have a payload. So we can mount all kind of surveillance on there. And then it has to bring a weapon with it.

Then I am convinced industry will evolve this thing so that its observability will get lower and lower. And then you are talking about going into increasingly denied environments.

So, frankly, it will become a platform with payloads, just like the Super Hornet and like the Joint Strike Fighter B, in the—my view, in the carrier of the future—air wing of the future.

Mr. LANGEVIN. Thank you, Admiral.

Thank you, Chairman. I yield back.

Mr. HUNTER. I thank the gentleman.

The gentleman from Alabama, Mr. Byrne, is recognized for 5 minutes.

Mr. BYRNE. Thank you very much, gentlemen. We appreciate you being here today. I am sorry you are having to sit so long through this process, but we do appreciate it. It is helpful to us.

Mr. Secretary, I would like to talk to you about my favorite topic, the littoral combat ship. I have read the memo that the Secretary of Defense sent you on 24 February in which he tells you, in essence, build it out to 32 ships, pause, and over the next year he would like for you to consider three options and come back to him with your recommendations based upon those options.

The options are for the procurement of a capable and lethal small surface combatant, and his three options are a new design, an existing ship design including an LCS, and a modified LCS. I would like to take you through those three options, if I could.

Are you aware of an existing ship design that would meet the definition of a capable and lethal small surface combatant other than an LCS?

Secretary MABUS. The rest of that requirement is that I have to look at cost—because we have got to get enough of these ships—and I have to look at when they could be delivered to the fleet.

So if you add those two requirements to it, I do not know of another design. But that is part of this look, Congressman, is to see if there is another design out there that could meet those requirements.

Mr. BYRNE. Yes, sir. I understand you have some work to do, but I am just trying to get what you know today.

So let's go to the second option, which is designing a new ship. Given your goal to have a 300-ship fleet by 2020, which is 5 fiscal years from now, and the cost, as you mentioned before, what would be the timeline for developing a new ship—a new ship design altogether? And what would the cost be for that?

Secretary MABUS. The normal timeline—and the CNO and I have both talked about this—the normal timeline of a blank sheet of paper to introduction in the fleet is about a decade, about 10 years. And I don't have any idea about what the cost would be at this time.

Mr. BYRNE. Well, we have gotten the cost for the LCSs down to about \$350 million a ship now. Is that right?

Secretary MABUS. That is correct.

Mr. BYRNE. Could you produce a new ship for anywhere near \$350 million over the time horizon that you are looking at by 2020 for a 300-ship fleet?

Secretary MABUS. The LCS is the only ship that we are currently producing anywhere close to that cost, any warship. And, again, that is the purpose of this look, is to see.

But I am very proud of how much the cost has been driven down, working with our partners in industry. Because, as you know, the first ships of the LCS, of both versions, cost more than \$750 million and now we have gotten that down to \$350 million, more or less—and perhaps a little less—going forward.

That is very hard to do, and it has been a real effort, but it has been a real partnership between Navy and industry to do that.

And so we will certainly, as the Secretary directed, look to see what a cost would be on continuing to build the LCS, on building a variant of the LCS, or a completely new design. And he has explicitly instructed me to look at cost and delivery as well.

Mr. BYRNE. Well, when I look at the LCS, I am reminded of my favorite boxer of all time, Muhammad Ali. Now, he didn't win his fights by sitting there and just taking punches. He always said that he liked to float like a butterfly and sting like a bee.

It seems to me, when I look at the LCS and what it was designed to do, it is a Muhammad Ali. It floats like a butterfly, a very fast butterfly, as you know, and stings like a bee.

Isn't that what you are looking for?

Secretary MABUS. Well, as you know, both the CNO and I are proponents of the LCS. We believe that we need this ship in the fleet and appreciate very much the fact that we are going to continue to build these through the FYDP to get to 32. And, as you said, the only pause here is a pause in contract negotiations on ships past 32. So that is several years from now.

And I think that, very frankly, it is a good idea to take a look at capabilities, to take a look at requirements, to take a look at how ships meet these, because we do that on a very routine basis.

We do it—as I have pointed out earlier, on the DDG-51, we are about to start Flight 3, which is actually the fourth flight of this destroyer. We are moving to Flight 4 of the *Virginia*-class submarine.

We tend to—we don't tend to—we actually do look at every different ship type as technology changes, as requirements change, as missions change.

And the beauty of the LCS or a ship like the LCS is it is modular so that you don't have to build a new hull, you don't have to build a new ship. As technology improves, as technology changes, as requirements change, you simply change out the modules.

Mr. BYRNE. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Mr. HUNTER. I thank the gentleman.

The gentlelady from California, Ms. Speier, is recognized.

Ms. SPEIER. Mr. Chairman, thank you.

And thank you to each of our great leaders who are at the witness table.

My first question is to General Amos.

First of all, congratulations on your clean audit, the first service to have one. That is good news, I think, for all of us.

I want to ask you, though, about a letter that—or a request made by Secretary Hagel last May in which he ordered all of the services to look at their positions of trust—soldiers who are in positions of trust for any previous criminal or unethical behavior.

The Army disqualified 588 as sexual assault counselors, recruiters, or drill sergeants after discovering that they had records of either sexual assault, child abuse, or drunk driving.

The Marine Corps has disqualified no one, zero, and I find that remarkable, particularly since every other service has had at least a few.

I have sent a letter today to the Secretary asking that he ask the services to go back and take a relook because you can't have 588 in one and zero in another of the services, particularly when the Marine Corps has, you know, had some problems in the past.

Can you respond to that?

General AMOS. Congresswoman, I would be happy to. Thanks for the opportunity.

The two communities that we call, that you have described as those that we need to pay particular attention to when it comes to dealing with sexual assault and the victims of sexual assault, are our recruiters. That is where it begins for us.

And recruiting—I think you know this from seeing them out in California. Our recruiting is a primo job for our marines. And so we go through—in that community, we go through a recruiter screening team. We go through their records. We do a Federal law enforcement screening on every one of them. They are screened by their commanding officers.

So the recruiters, that part of that community, is screened more so than, I think, any other—I think I can say this—any other service's recruiting team.

Ms. SPEIER. General, I don't want to interrupt you necessarily, but I have got a very short amount of time and I have another question to ask.

So are you going to take another look, is the question I asked, because it just seems a great disparity that there is not one soldier who was in a position of trust that did not meet that review and be recognized as not being appropriately placed.

General AMOS. Congresswoman, I will do that. You have my word, and I will get back to you on this.

[The information referred to can be found in the Appendix on page 154.]

General AMOS. Just a comment on our sexual assault team, I mean, our civilians and our marines. They go through an enormous screening before they even are eligible to even be considered for employment, I mean, background checks and everything.

So the fact that we have had none is not necessarily an indication that we haven't looked. We have actually taken——

Mr. SPEIER. All right. Thank you. I am sorry, but I do want to get one more question in. I have a minute and 45 seconds.

All right. Admiral Greenert, thank you for arranging for the opportunity for both Congressman Garamendi and myself to visit the USS *Coronado* when it was in Cartagena. It was a very edifying experience.

I have been critical of the LCS. I still have great concerns. But I must tell you one of my biggest concerns right now is that, you know, in private conversations with some on the ship—and I will say that your commander there did an outstanding job. He was an incredible cheerleader, loves the ship.

But in some private conversations I had with others on the ship, the electronics on the ship are not working. And my concern is that, when the warranty is out, General Dynamics is going to start charging us and they have never presented us with a ship that was fully functional to begin with and we should not be paying for that. So that is number one.

Number two, one of the criticisms is that you can't see out of the side of the ship. And he said, "Well, we probably won't be able to get that fixed until it goes into dry dock. That is 2 years away." I mean, I think that is a big problem.

They left Cartagena, went through the Panama Canal. And what happened? The ship got scraped on the side of the Panama Canal. So we have got a problem here, and I am wondering what you are going to do about those two issues.

Admiral GREENERT. Well, the first one we are reasonably aware of, the electronics piece. There are a couple of things, number one, how well does it intercept signals, process it, and use it to be functional; number two, the internal electronics. And when we ordered the ship, we wanted to address that after delivery.

But it is a valid comment. We will look into it. And I want to make sure I understand specifically, when we say "electronics," what it is. So I got that, and we will take a look at that.

The second one, it is a paradigm, to say the least, to ask people not to be able to go out on a bridge, a wing wall. The other folks are doing reasonably well on that.

But we are revisiting that aspect of it, you know, the ability to, if you will, see around rather than just saying check out the cameras or rig up rearview mirrors.

So what we are going to do about that is we are going to go back in and say what is the basis of this and how do we continue to do it.

Ms. SPEIER. I thank the gentleman. My time has expired.

Mr. HUNTER. I thank the gentlelady.

The gentlelady from Illinois is recognized.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

General Amos, I join my colleagues in expressing my admiration for your service. My daddy was a Marine NCO [non-commissioned officer] in World War II for just a few years and was an Army officer for about 16 years. And I think his greatest regret, despite his pride in my service, was that I was not ever a marine. So, hopefully, he is impressed, now that I get to talk to the Commandant.



I do have a question that pertains to where we are moving forward, back with the dwell time issues and the reset of marines as you are drawing down the Active Duty force and how that reset is going to go with the Marine Reserves.

Specifically, how sustainable is this 1:2 dwell time? I mean, this is a pretty intense pace that you are going to be putting people on. And is that sustainable 5 years? Two years? Are we going to be re-looking at this? And are the Reserves doing the same thing?

General AMOS. The Reserves, Congresswoman, as you know, are a little bit more mature. They have already finished at least one enlistment in the fleet. They already, for the most part, have had one tour as an officer out in the fleet Marine force.

So they are a little bit more mature. We are going to maintain them on a 1:5, which is the standard Reserve-Guard ratio of deployment to dwell. So there is no intents in use to change that.

We are, though, going to capitalize on their experience and try to draw them in as often as we can. We are making plans—in fact, we just upped—in the 2015 budget, upped the Reserves budget by a significant amount of money just so that we can bring them into our unit deployment. It is good for them. It is good for us. So we are going to continue to use them. We are not going to wear their dwell out.

Inside of us, we are a young service. We are the youngest, not age-wise, like 238½ years, but we are the youngest of all the services. Sixty-two percent of the Marine Corps are on their very first enlistment. You know, I have got almost 20,000 teenagers in the Marine Corps.

So when I travel around—and the sergeant major and I, we visit marines in Afghanistan. They are deployed. And the only questions we get is not, “Hey, sir, I am too tired. This is too hard.” I get the question, “Sir, when am I going to get to deploy again? Now that we are coming out of Afghanistan, where are we going to go next?”

So we are a young force. They signed up to deploy. So the pressure on the 1:2 dwell—I mean, I am not naive—will be on what we call the career force, and that is 27 percent of the Marine Corps.

The bulk of the Marine Corps comes in and leaves and does not retire, but the career force stays on. That is the captains, the lieutenants, the master sergeants, the gunnery sergeants. And it will be harder on them.

The decision to go to 1:2 dwell was simply a function of budget. It is a function of you have a Marine Corps to respond to today's crisis with today's force today, not a month from now, but today.

And the only way we can do that is pull money into readiness, keep the units fully manned, fully trained, and fully equipped so that they can deploy and be ready. And to do that, to shrink the force down, it results in a 1:2.

I am actually pretty optimistic. I am not getting any—of course, we are not in it yet, but we have been in a 1:2 dwell, actually, for probably the last 6 to 7 years.

So I am optimistic that our Marine Corps is going to be able to sustain itself at this. Is it ideal? Absolutely not. America needs a Marine Corps of 186,800, which is a 1:3 dwell.

Ms. DUCKWORTH. It is certainly a heavy load that we are asking your marines to shoulder going well into the future, and I just

want you to know that there are many of us here who certainly appreciate that burden that you are carrying for our Nation.

I want to talk, also, about equipment. You talked about the equipment and, specifically, the return of the vehicles from Afghanistan and looking forward with the JLTVs [Joint Light Tactical Vehicles] and we are going to slow down the procurement of the JLTVs along with the Army slowing down the procurement, but you are going to try to increase the number of up-armored Humvees to make up the difference.

And, again, you know, ideally, looking forward, how does that balance come out? And does that also affect the Reserves—the equipment in the Reserves as well?

General AMOS. We haven't sorted out yet with the Reserves the JLTV. We are still in the program of record for it. We are the lead service into it in that we get the vehicles first.

We are teamed up with the Army. We get 5,500 vehicles. We slid it to the right one year just because of budgetary issues. We are still going to get that.

What we have done, though, inside what we call the ground vehicle strategy in the Marine Corps, because of money, we have had to look and ask ourselves the question, "What is good enough?"

And we had 20-plus-thousand Humvees. A bunch of them are new. They were the ones that we got in 2006–2008. We are going to refurbish those—probably about 13,000 of those. JLTVs will fit in there. We are going to put more MRAPs [mine-resistant ambush protected vehicles] back in the inventory than we had originally planned.

So it is a balance right now between modernization, paying our bills, and being able to be a ready force. We are trying to cut Solomon's baby in a variety of different ways, but, hopefully, we are doing it the right way. It is a balance.

Ms. DUCKWORTH. Thank you.

I yield back, Mr. Chairman.

Mr. HUNTER. I thank the gentlelady.

The chairman recognizes himself for some questions.

First, let me say sons out, guns out. That is right. My sleeves are actually rolled right now under my suit. You can't tell. But I think that is the best decision the Marine Corps has made in a long time.

Commandant, let me say thanks to you and Bonnie for your time, for your service. It is not always easy to reconcile warfare with, let's say, the political class. It is tough. And you have had to do that, I think, during the last couple of years simply because of the ideology that has been in place. It is hard to reconcile combat and the elite political class.

I mean, that is a fine line to walk, and I want to thank you both for doing it and for your—just your time and effort and your love for the Marine Corps and your marines. You love your marines. We can tell that. We can see it. So thank you.

And I think this will be the last time that you are sitting down there, and you are probably like, "Thank God." But thank you very much. Thanks for what you have done, for your service, and for your love of the Marine Corps and this country and your marines. So thank you.

General AMOS. Thank you, sir. You know this better than most sitting in this room. So thank you.

Mr. HUNTER. And to Bonnie. Is she here right now?

General AMOS. Sir, she is not. She is afraid to come in here.

Mr. HUNTER. All right. Same here. Well, thanks to her too. Yes. She has probably gone through a lot more than you have because she doesn't get to come out here and talk about it.

So let me say first—I guess the question is: Now that you have taken—the Marine Corps has taken on the role of responding to the Benghazi-like attacks. The Marine Corps stepped up and said, “Hey, we are going to take this on.” Right? And you have done that. You have a unit in Spain. You are doing special-purpose MAGTFs [Marine Air-Ground Task Force]. You are responding to that. So you have now stepped up.

So I guess the question is: Does your budget request match what you are now responsible for? Because if it happens again, the Marine Corps is on the hook because you have stepped up and said, “We are going to make sure it doesn't happen again.” So are we able to make it not happen again, basically?

General AMOS. Congressman, thank you.

We have budgeted for that special-purpose MAGTF we currently have in Morón, Spain, and right now that works out of Africa. You are well aware of its success stories and its relevance.

We have also budgeted for a second one in another area of operations. So we actually have two in our budget in the FYDP. We planned for that. So the answer is yes. And that is just in recognition of the future security environment.

Ideally, what Admiral Greenert and I would like to do is put those rascals on ships and, when we get ships, we will. But for the time being, we are going to put them in the areas of operations for the combatant commanders so that they can be relevant.

Mr. HUNTER. So when do you make the transition from land-based to amphib? Because that is what you just said, basically. Right? “We want to put them on amphib and”——

General AMOS. Exactly. What I am saying is, ideally, in a perfect world, what we would like to do is put them on—for instance, we are looking on the west coast of Africa right now.

It is hard to find a base that will—a country that will allow us to operate out of there. A ship of some kind, afloat forward staging base—some type of ship, an amphib, would be perfect for that area. And Admiral Greenert and the Secretary and I are working on that right now.

So that would be an indication or example of transition to that. But we are probably down the road, quite honestly, with the number of amphib we have.

Mr. HUNTER. Thank you, Commandant.

Admiral Greenert, a question about the dual-mode Brimstone missile.

We have been talking about swarming boats. That is the Hellfire missile that has radar and IR [infrared]. So I have seen a video where you have a bunch of swarming boats and it takes out a whole bunch of them.

And you can launch it off ships. You can launch it off UAVs [unmanned aerial vehicles]. The British have done all the R&D. It is

a package deal. And you are very interested in this. I understand that.

I just want to know how—how is that going? Are we going to actually do it? Are we going to employ it? Are we going to use it?

Admiral GREENERT. As I sit here in front of you, I can't tell you, yes, we are. As I sit here in front of you, I will tell you, this summer—earlier I was talking about we are going to do a swarm demonstration, we swarm and, at the same time, look at counter-swarm.

During that, next comes the lethality, what kind of guns, what kind of missiles, what kind of sensors are we going to put on these.

So I guess I would say stay tuned. We will keep you informed where we want to go with that. I think we need to——

Mr. HUNTER. Do you like the missile?

Admiral GREENERT. Come again, sir?

Mr. HUNTER. Do you like the missile?

Admiral GREENERT. I do like the missile.

The question is: How do you integrate it? How does it perform? How do I buy it? And if I need to—I don't want to say “get around”—how do I get it through the system so it isn't another one of these—you know the deal—program of record, long-term thing? We need this thing out there soon, if we need it.

Mr. HUNTER. So because they have already done the investment, the Brits—they have already done the investment and it is a non-R&D product that is actually packaged and ready to go, Secretary Mabus, is there a fast track for something like this, where the Navy says, “Hey, it is good to go. There is no R&D. We just want it”?

Secretary MABUS. There are fast tracks for urgent needs like this. And whether it is this missile or some alternative, we are already moving to meet the swarming things. We have got some money in this budget to put the Longbow missile in the surface warfare component of the LCS.

So, yes. The short answer is yes, there are. But a little bit longer answer is you have got to do what the CNO said first and show that we can integrate it, that we can use it, that it can do the job as advertised.

Mr. HUNTER. Thank you all.

And I just want to say in the end, I mean—you know, the Army is going to knock me for this, but probably in the next 15, 20 years, the Navy, Marine Corps, and Air Force are going to be out there front and center.

Everybody—the last two or three SecDefs [Secretaries of Defense] have said we are not going to get in a big land war again, it is all going to be pushing out, trying to reach out and touch people. And you all are going to be front and center. I know you have got a lot of planning to do.

You have got the F-35s. You have got UCLASS. You have to be able to put everything together. You have got to be able to see it. And it is going to change the way that we fight. With everything networked, it is very complex and very complicated.

And I wish you luck. We are here to help, and anything that we can do, let us know, because you have your work cut out for you.

And I want to say thanks for your service. General Amos, congratulations, sir, on a beautiful career and congratulations on getting out relatively unscathed.

And, with that, I would like to yield to the gentlelady from California, Ms. Shea-Porter—or from New Hampshire. I am sorry. I get those confused. They are both on the coast though.

Ms. SHEA-PORTER. I would say they are both on water. It works. So thank you very much.

Thank you, gentlemen, for being here.

And congratulations to you, General, and thank you for your service.

My question here is for the Secretary. You said in your testimony that maintaining undersea dominance is vital to the U.S. Navy, and we continue to fund the *Virginia*-class subs each year.

Now, I have the Portsmouth Naval Shipyard in my district, and you know how famous they are for the great work they do. And they meet all of the challenges, including the sequester last year, which had an impact. But they have been on the job and their record is absolutely wonderful.

So my question is very simple: In considering a future BRAC—and you know what the Congress had to say about that—but in considering a future BRAC, is the Portsmouth Naval Shipyard in that equation at all? I believe their work is essential. And my question is: Do you and does the Navy?

Secretary MABUS. I am going to leave out whether—because we haven't been authorized to do a BRAC. And so I don't know what would be looked at.

But I will say that all our naval shipyards, including Portsmouth, do incredibly good work. They do the work that we have to have to keep not only our submarines, but all our ships at sea, maintained at the highest state of readiness. They do so under sometimes difficult conditions. And so we value them very, very much. We value the workers.

And I think that one of the things—when we were first forced to furlough last year, one of the things that Navy exempted from furlough was the shipyard workers, to make sure that we—or most of the shipyard workers—to make sure that we kept them on the job because we couldn't make up that time if they were not there.

And I think that that speaks to the value and the importance that we put on them, not that we value any of our civilians less, but just that their work is so time-sensitive and, if you lose a month or a few days, there is no place to make it up.

Ms. SHEA-PORTER. Right. And, as you know, they almost did go through the full furlough, but that was changed, fortunately.

But my concern is that, as we look forward and we recognize there is dangers around the world and that is the reason that we continue to make the *Virginia*-class subs, we have to also make sure that we have the quality workers and that we have the facilities. And this is a public yard, as you know, that is open 24/7 and has been there, and saltwater runs in the veins New England.

So I just wanted to ask that question. I appreciate that you couldn't really answer that at this moment, but I just wanted that for the record.

Secretary MABUS. Well, and I will add that, in previous BRACs, the Navy and Marine Corps have taken out a lot of unused capacity. Now, I do think that DOD-wide we should take another look at what we have.

But the Navy and Marine Corps, because of previous BRACs—and I was Governor of Mississippi during a BRAC when one of our bases was targeted. And so I know exactly what you are going through. But I think that the quality of work and the necessity of work of all these shipyards speaks for themselves.

Ms. SHEA-PORTER. Right. Well, we barely survived that round of BRAC, as you know. And when you see the work that they are doing and recognize how essential it is for national security, you know, I hope that will get the full measure of consideration.

Thank you very much.

And I yield back.

The CHAIRMAN. I thank the gentlelady.

And if there are no more questions, this hearing is adjourned.

[Whereupon, at 11:45 a.m., the committee was adjourned.]

---

---

# **A P P E N D I X**

MARCH 12, 2014

---

---





---

---

**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

MARCH 12, 2014

---

---



**Chairman Howard P. “Buck” McKeon Opening Statement**  
***“Fiscal Year 2015 National Defense Authorization Request from the Department of  
the Navy”***  
**March 12, 2014**

I want to thank you for joining us today as we consider the Fiscal Year 2015 budget request for the Department of the Navy. I appreciate our witnesses’ testimony and their support of our naval forces. Joining us today are:

- The Honorable Ray Mabus, Secretary of the Navy;
- Admiral Jonathan Greenert, Chief of Naval Operations; and
- General James Amos, Commandant of the Marine Corps.

Our naval forces are the best in the world. They provide our nation with an incredible ability to project power and strengthen U.S. presence. Unfortunately, the largest threat to our naval forces is one of our own making. Defense cuts continue to have a debilitating impact on our ability to deploy naval forces in sufficient capacity to meet our nation’s defense strategy and the needs of our military commanders.

For the Navy, this budget outcome means decommissioning an aircraft carrier. Just last week, Admiral Locklear, Commander of U.S. Pacific Command, indicated that the Navy cannot meet the global demand for aircraft carriers. Yet the budget request includes no funding for refueling and overhaul, forcing the Navy to decommission the USS George Washington—which has over 25 years of hull life remaining.

This budget outcome also means cutting force structure. Despite the repeated requirement for a minimum 306 ship Navy—the budget request funds a 283 ship Navy. Secretary Mabus, you have characterized our defense strategy as “inherently a maritime strategy”. Yet, the Administration has also outlined significant reductions in our submarine forces, amphibians, and cruisers.

Finally, this budget outcome means cutting end strength. A reduction to 175,000 Marines would significantly strain the force and reduce dwell time. It also means that the Marines have to be “all in” to deter or defeat aggression in just one region of the world.

These drastic and nonsensical cuts should stir immense debate. Is this the Navy that Americans want?

This assumes more than just “increased risk” as Secretary Hagel stated last week. The security environment and need for naval forces have not abated, yet this is a fundamental, piecemeal dismantling of the world’s greatest Navy.

I believe that the actions contained in this budget request will cause irreparable harm to our naval forces and our national security. I will continue to do everything in my power to reverse the dangerous trajectory that this budget request recommends.

**Ranking Member Adam Smith Statement**  
**Hearing on**  
**Fiscal Year 2015 National Defense Authorization Budget Request from the**  
**Department of the Navy**  
**March 12, 2014**

Thank you, Mr. Chairman. And thank you, Secretary Mabus, Admiral Greenert, and General Amos. We very much appreciate your testimony today and your service on behalf of our nation. I hope you will also take our thanks back to the brave men and women in the Navy and Marine Corps currently serving in harm's way in Afghanistan and around the world.

About three months ago, Congress voted to pass the Ryan-Murray Bipartisan Budget Act to set the budget authorization levels for Fiscal Year 2014 and Fiscal Year 2015. While providing DOD with about \$10 billion in relief from sequestration for the 2015 budget, it did not repeal sequestration or do anything about it from 2016 onwards. As a result, DOD and the Navy had to build a budget assuming continued significant funding reductions mandated by Congress.

Predictably, many members of Congress have condemned the recently released President's budget request that meets the caps required by that law for 2015. Many have pointed out that reducing the budget will likely result in increased risk in executing the nation's defense strategy, and they are probably right in making that judgment. But, as the saying goes, "you get what you pay for", or in this case, what you decide not to pay for. By choosing to repeatedly resist raising the debt ceiling and refusing to even discuss additional tax revenues as part of larger budget deal, this House has chosen to leave significant defense cuts – which most members voted for – in place.

In this context, the Navy and Marine Corps budget requests for 2015 is mostly good news, especially in comparison to the Air Force and Army that are being forced to take much more dramatic cuts in force structure. The Navy, at least for

2015, is holding its size and structure intact while also beginning to restore readiness and making some critical investments in the future. The Marine Corps, while taking some modest reductions to personnel, has been able to begin to rebuild its amphibious capability and even invest in new areas such as enhanced quick-reaction forces to support US embassies worldwide.

And, despite what some might have you think, the US Navy remains – by far – the most powerful and capable naval force in the world. Lots of other nations have ships, some are even high quality, but no navy in the world can match the capability our navy can bring to a fight. In particular, in the vital but less talked about areas of logistics, maintenance, command & control, and training, our navy remains the world's gold standard.

The Marine Corps, while facing readiness and training challenges like all the services, will remain larger than the armies of many of our major allies. In some cases, the Marine Corps is larger than the entire Armed Forces of some of our allies. The amphibious capability and forward presence the Marine Corps provides remains unmatched.

However, retaining these high standards requires adequate funding, and the Department of the Navy's base budget of \$148.0 billion for 2015 is down about 7% from a peak of \$156.0 billion in 2011, although we do not yet know what the Overseas Contingency Operations Budget request will mean for the Navy and Marines. And, unless Congress does something about sequestration that funding is going to go down over the next five years.

The 2015 budget provides funding for a force of about 285 ships and submarines, including 10 aircraft carrier battle groups. The Navy's budget request includes funding for seven new and modern ships, important investments in the technologies of the future, such as unmanned systems and cyber capability. The Marine Corps budget includes continued large investments in new aircraft with an additional \$1 billion for new ground combat equipment.

With regard to the aircraft carrier issue, while I would like to see the Navy retain its planned 11 aircraft carriers, I do have questions about what doing so will mean for the rest of the Navy. For example, if we keep 11 aircraft carriers and the associated air wings, will we be able to invest properly in submarines, unmanned systems, cyber, and other critical technologies? What are the tradeoffs? I look forward to learning more about that today.

Thank you Mr. Chairman. I yield back.

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE  
HOUSE  
ARMED SERVICES COMMITTEE

**STATEMENT OF  
THE HONORABLE RAY MABUS  
SECRETARY OF THE NAVY  
BEFORE THE  
HOUSE ARMED SERVICES COMMITTEE  
ON  
12 MARCH 2014**

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE HOUSE  
ARMED SERVICES COMMITTEE



Chairman McKeon and Ranking Congressman Smith, and members of the committee, today I have the privilege of appearing to discuss posture and readiness for the fifth time on behalf of the men and women of the Department of the Navy. It is an honor to represent the Sailors and Marines across the globe, as the Marine Hymn says, “in every clime and place;” the civilians who support them at home and around the world; and to report on the readiness, posture, progress, and budgetary requests of the Department. Along with Commandant of the Marine Corps, General James Amos, and Chief of Naval Operations (CNO), Admiral Jonathan Greenert, I take great pride in the opportunity to both lead and serve the dedicated men and women of our Department. This statement, together with the posture statements provided by CNO Greenert and Commandant Amos, are designed to present an overview of the state of the Department of the Navy for your consideration as we move forward with the FY15 budget process.

The architects of our Constitution recognized the inherent value of the United States Navy and Marine Corps. Article 1, Section 8, gave Congress the responsibility to “provide and maintain a Navy,” because our Founding Fathers knew that the nation needed a naval force to operate continuously in war and peace. Over two centuries ago they recognized that having a Navy and Marine Corps to sail the world’s oceans in defense of our national interests and our commerce sent a powerful signal to our allies and our potential adversaries. Even then, the United States had a crucial role in the world. Today that role is exponentially greater.

This year we celebrate the Bicentennial of Thomas Macdonough’s “signal victory” on Lake Champlain during the War of 1812. From that early triumph in the defense of our Republic to the heroic fights in places like Mobile Bay and Manila; to the Chosin Reservoir and the

quarantine during the Cuban Missile Crisis and the coastal and riverine patrols of Vietnam; to the mountains of Afghanistan and the littorals of the Pacific presently; our Navy and Marine Corps have been there when the nation called. We have given our Commanders-in-Chief the options needed.

These options are far greater than just waging war, although the Navy and Marine Corps are ready, when necessary, to fight and win our nation's wars. In today's complex world, with a dynamic security environment, naval assets are more critical than ever. This year our ground forces are returning home from the battlefields of Afghanistan, just as they have from Iraq. Yet our Sailors and Marines know that they will continue to forward deploy as the guardians of our safety and security. In peace, as in war, we will deploy, day after day, year after year. For seven decades our global presence and maritime strength have ensured the freedom of the seas and the security of peaceful free trade around the world. This has resulted in unprecedented growth in the world's economy, which has benefitted all. It also ensures America's interests are respected and our people remain secure.

The Navy and Marine Corps respond whenever the nation calls. Whether facing high-end combat, asymmetrical threats or humanitarian needs, America's maritime forces are ready and present on Day One of any crisis, for any eventuality.

#### **Strategic Context in 2013**

Throughout the past year, the Navy and Marine Corps repeatedly demonstrated the critical role they play in ensuring global stability. In military terms, they provide worldwide presence.

Naval forces operated across the Pacific, and in the continuing combat mission in Afghanistan, from the Gulf of Guinea to the Arctic Circle. As President Theodore Roosevelt said, “A good Navy is not a provocation to war. It is the surest guarantee of peace.” We don’t have to surge units from home. Our ships don’t take up an inch of anyone else’s soil. We reassure our partners that we are there, and remind those who may wish our country and allies harm that we’re never far away. We protect the global commons and ensure the freedom of navigation which has underwritten the growth of the world’s economy for decades.

In recent years we have had a range of examples which illustrate what our Navy and Marine Corps mean for our nation. Every time North Korea conducts missile tests or threatens their neighbors, our Ballistic Missile Defense ships are already there, already on patrol. There’s no overt escalation, because we are already present. When special operations units conduct operations all over the globe, from capturing known terrorists in Libya to raids in Somalia, they rely on Navy ships and Marine Corps units as critical enablers. We support friends and allies with humanitarian assistance missions like Pacific Partnership and in exercises that help build our ability to operate together like our Cooperation Afloat Readiness and Training (CARAT) exercises with numerous partners. Around the world the credible combat power of the U.S. Navy and Marine Corps opens the door for diplomacy and helps our leaders address emerging threats.

A few months ago when Typhoon Haiyan moved toward our allies in the Philippines, our naval forces in the region tracked its progress. U.S. Marines were on the ground within hours after the storm. Our C-130s and MV-22 *Ospreys* brought in early aid and began to survey and assess the

damage. Within days we had a dozen ships, including the *George Washington* Strike Group, in the waters around the Philippines along with over a hundred aircraft, providing lifesaving aid and supplies to devastated communities.

Humanitarian Assistance and Disaster Relief missions are an important contribution our Navy and Marine Corps make to our nation's diplomacy because our presence allows us to respond quickly and effectively. These operations build our partnerships and they encourage stability and security by helping those in need get back on their feet. However, it should not be lost on anyone that we are talking about warships, warplanes and warfighters. We amassed a dozen combat ready warships and massive amounts of air support, rapidly, to respond to a crisis. We were able to do so because of the inherent flexibility of our people and our platforms.

These examples demonstrate that for the Navy and Marine Corps global presence is our purpose. We are there to deal with the unexpected. We are the nation's hedge against new crises and new conflicts. The Navy and Marine Corps are our nation's Away Team, ready for whatever comes over the horizon.

#### **Today's Priorities**

Four key factors make our global presence and global action possible. These four factors – People, Platforms, Power and Partnerships – have been my priorities during my tenure as Secretary and they must continue to receive our focus looking ahead.

Each of these four priorities contributes directly to the Department of the Navy's ability to provide the presence and options which the Commander-in-Chief and the American people have come to expect. They are what makes our Navy and Marine Corps the most immediate and capable option when a crisis develops anywhere in the world. Our People, Platforms, Power, and Partnerships guide our approach to the FY15 budget process.

**People – Supporting our Vital Asset**

In 1915, my predecessor, Josephus Daniels testified before Congress that “a Navy, no matter how powerful, unless it is well manned by an adequate number of well-equipped and well trained Sailors, would have very little value.” That statement is even more true today. Our Total Force of active duty and reserve military, and civilians are what make the Navy and Marine Corps the best in the world.

Our equipment – the ships, submarines, aircraft, vehicles, weapons and cyber systems; everything that our Sailors and Marines operate – are technological marvels and the most advanced in the world. But they only exist thanks to those who design, build and procure them. And they would be useless without those who sail and fly and operate them. The people are the real marvel. They are what gives the United States the edge and what sets us apart from the world. And that is why our people have been and must continue to be our highest priority. However, the last few years have seen increasing challenges to our people, uniform and civilian.

Those in uniform have seen ever lengthening deployments. The average number of days that ships are underway or deployed increased 15% since 2001. In 2013 the USS DWIGHT D.

EISENHOWER Strike Group returned from back-to-back deployments, totaling 12 months, with only a two-month break in between. USS NIMITZ, which returned home just before Christmas, was extended twice because of the crisis in Syria and was deployed for ten months. Instead of six month deployments, which had been standard for decades, eight months at sea is the new normal and ten months is becoming more common. These extended deployments, which immediately follow an intense training cycle requiring recurring operations at sea, stress our Sailors and Marines and their families. This will continue because the requirement for naval presence will not diminish.

Our civilian personnel have been tested as well. We literally could not put our fleet to sea without these committed and courageous individuals. The horrific attack at the Washington Navy Yard in September cost the lives of twelve devoted public servants left two physically injured and intangible scars across our workforce. Just days later, as soon as they were permitted, most of their colleagues on the Navy Yard returned to work, committed to their mission despite three years in which they received no pay raises and were subject to furloughs. Two weeks after the shooting our Navy and Marine Corps civilians, including many who worked at the Navy Yard but were not part of Naval Sea Systems Command or Naval Facilities Engineering Command, were forced off the job again by the government shutdown.

A concrete demonstration of our support for our Sailors, Marines, and civilians are their pay and benefits. Military pay and benefits continue at a competitive level, and in some skill areas are better than those found in the private sector. The promise of a military retirement is a key element of the covenant we have with the men and women who serve our country for an entire

career. We must safeguard that promise for today's Sailors and Marines. However, we also have to realize that the growth rate in military compensation must be controlled. Our Sailors and Marines chose to serve their country out of duty and patriotism, not just for the money. We must ensure that we support our active duty personnel by giving them the resources and tools they need to do their jobs, as well as their well-earned compensation.

We support the sensible and fair reforms to compensation and benefits introduced in the President's budget. We look forward to considering the complete review being conducted by the Military Compensation and Retirement Modernization Commission. We must have a holistic approach which ensures that any changes are reasonable, effective, and fair in sustaining the All-Volunteer Force.

Today's demanding environment will require the most resilient force that our Navy and Marine Corps has ever fielded. Because of that we continue to develop the 21<sup>st</sup> Century Sailor and Marine Initiative as an overarching method of supporting our people, to eliminate stovepipes and ensure a comprehensive approach. The goal is to help our Sailors and Marines maximize their personal and professional readiness, and to assist them and their families with the mental, physical and emotional challenges of military service.

The initiative is influencing Sailors and Marines around the world. In particular, we are working to counter the challenges of suicide, sexual assault and alcohol-related incidents. These tragic occurrences not only impact the resilience of our Sailors and Marines, they also directly impact the discipline of the force and degrade combat effectiveness.

We remain resolute in our efforts to minimize suicides and we are striving to understand the root causes and contributing factors that lead to suicide and suicide-related behavior. We want an environment in which Sailors and Marines are comfortable coming forward when they feel they may harm themselves, or when they know of a shipmate contemplating harm. Over the past few years we have introduced a number of initiatives including the Navy Operational Stress Control (OSC) Program to help build personal resilience, promote peer-to-peer support, enhance family support, and enable intervention up and down the chain of command. We have also added additional Mobile Training Teams who travel to units around the world to teach these skills and foster a sense of community. Our suicide prevention teams examine each incident for insights and data to inform our programs and we apply those lessons to help improve our training and policy.

Sexual assault continues to be an “insider threat” with serious impacts on the Navy and Marine Corps. Because of the seriousness of this issue, soon after taking office I established the first and only Sexual Assault Prevention and Response Office reporting directly to me as Secretary. We have implemented numerous programs to strengthen our approach, including consistent leadership, new training methods, and victim-centered support efforts. Reporting of sexual assaults increased in FY13, which we believe reflects a positive aspect of our efforts. It indicates that our Sailors and Marines believe that their reports will be taken seriously and that perpetrators will be held accountable.



Another key element is our effort to strengthen the expertise and increase the resources of the Naval Criminal Investigative Service and our Judge Advocates to investigate and prosecute sexual criminals. We have also focused some of their training on advocating for victims. We continue to conduct regular voluntary anonymous surveys in order to learn as much as possible about perceptions and the factors influencing decisions to report or not report sexual assaults

We continue to work to curb alcohol abuse and reduce the number of alcohol-related incidents which can end lives and careers. There has been a downward trend in alcohol related incidents which continued in 2013 as we saw yet another reduction in cases of DUI and alcohol related behavior. We attribute this in part to dynamic media and education campaigns and directed-actions for irresponsible use of alcohol. We have also instituted limits to the shelf space available for the sale of alcohol at Navy and Marine Corps Exchanges. Implementation of the alcohol detection device program is still relatively new but fleet feedback suggests these devices, paired with an effective command prevention program which includes things like curfews and base patrols, provide an effective deterrent to alcohol abuse.

Another positive development in 2013 was the significant strides the Navy made toward our goal of complete equality of opportunity for women in every officer designator and enlisted rating. Female officers and enlisted currently serve on virtually every class of surface ship and in every type of aviation squadron. Female officers now serve as well in our Submarine Force and the Task Force on Enlisted Women in Submarines continues to develop details for full Submarine Force integration. The Navy is opening 252 enlisted and 15 officer billets to women in the Coastal Riverine Force. The sole remaining area in the Navy not yet open to women is Navy

Special Warfare. However, once assessments are complete and Congress has been notified, assigning women in that area will be in accordance with the U.S. Special Operations Command implementation plan.

The Marine Corps continues to implement its plan to open closed positions to women. All positions currently closed will either be opened to women or an exception to policy requested from the Secretary of Defense by January of 2016. Since the 2011 NDAA the Marine Corps has opened 463 positions in 22 units in the Ground Combat Element to female officers and staff non-commissioned officers with open occupational specialties. Female officers and female enlisted Marines have been given the opportunity to volunteer for the training in Infantry Officer School or the Infantry Training Battalion as part of the research effort to inform decisions to open currently closed positions to women.

#### **Platforms – Building the Future Fleet**

The Marines, Sailors and civilians are the heart of our force, but what enables them to do their job are the ships, submarines, and aircraft in our fleet. As I noted earlier, we have the most advanced platforms in the world and we must constantly work to maintain that technological advantage. However, at a certain point quantity has a quality all its own.

The very nature of the Navy and Marine Corps mission, maintaining a global presence and positioning forces to respond immediately to emergent threats from man or nature, means that there is not much difference in our operations in times of war or peace. And the updated

Defense Strategic Guidance and Quadrennial Defense Review clearly rely even more on maritime assets in our national security strategy.

It is important to understand how we got to our current fleet size. On 9/11, the fleet stood at 316 ships. By 2008, after one of the largest military buildups in American history, that number had dropped to 278 ships. In the four years before I took office as Secretary, the Navy put 19 ships under contract. Since I took office in May of 2009, we have put 60 ships under contract and by 2019 our current plan will enable us to return the fleet to 300 ships.

Some of the Navy's decline in the number of ships may be attributed to our understandable focus on ground forces involved in two major wars for more than a decade. But when I took office, I found it necessary to significantly revamp our basic management and oversight practices as well.

When I took office, many of the Navy's shipbuilding programs were seriously troubled, with costs spiraling out of control and schedules slipping. There were some fundamental flaws in the acquisition process we were using. Ships were still being designed while under construction, immature technology was added before being proven, and requirements grew without restraint or realistic price forecasts. One of the central problems the Navy faced was a lack of competition in the system. With a smaller number of shipbuilders, Navy contracts had begun to be treated like allocations, rather than competitions to earn our business.

In the past five years we have turned shipbuilding around by promoting acquisition excellence and integrity as well as aggressive oversight. We have been rebuilding the Department's core of

acquisition professionals. Our focus is on everything from requirements, to design, to construction efficiency, to projected total life cycle costs. We emphasized firm, fixed-price contracts over the cost-plus contracts that can inflate costs. We introduced initiatives to spend smarter and more efficiently through competition, multi-year buys, and driving harder bargains for taxpayer dollars. I have made it clear to industry that Navy expects three things. A learning curve should be evident so each ship of the same type, whose design had not dramatically changed, would take fewer man-hours to build and should cost less than previous ships. Second, costs have to be scrubbed relentlessly with total visibility for Navy in estimates and bids. Third, appropriate investments in both infrastructure and workforce training must be made and are a shipbuilder's responsibility.

But along with those harder bargains and expectations I made a commitment to our industry partners that the Department will do three things to keep up our end of the relationship. First, we must build stable designs without major changes during construction. Second, if a new advanced technology comes along after construction has started; it must wait until the next block of ships. Finally, we will offer a realistic shipbuilding plan so that the number, type, and timing of building would be transparent and offer some stability to the industry.

In today's fiscal environment maintaining and increasing the fleet size will require sound management, innovative solutions, and continuing to seek out efficiency in our acquisition system. Navy shipbuilding is a unique public-private partnership; a key economic engine touching all but one of the 50 states that provides over 100,000 high-skilled, high-paying jobs

and the basis for the global prosperity and security that naval presence has assured since World War II.

The FY15 Shipbuilding Plan projects that we will reach 300 ships by the end of the decade. This plan maintains a force that is balanced and flexible and focuses on critical technologies. It is designed to be able to prevail in 21<sup>st</sup> century combat situations, including anti-access, area-denial environments, and to be operationally effective and resilient against cyber attacks. In 2013 we awarded two ARLEIGH BURKE class destroyers (DDG's) and contracted for seven more, which will be built over the next several years through a multi-year procurement contract. In total in '13 we delivered seven new vessels to the fleet. We deeply appreciate the support of this committee and will work with you in order to build and maintain the fleet needed to address our global requirements and responsibilities.

2013 saw a number of significant milestones for our new platforms and our research and development programs. Our interim Afloat Forward Staging Base (AFSB) USS PONCE continued to develop operating concepts for future AFSB's and Mobile Landing Platforms (MLPs). The next generation destroyer USS ZUMWALT (DDG-1000) and the MLP USNS MONTFORD POINT were launched. The first P-8 *Poseidon* maritime patrol aircraft deployed to the Pacific and the Navy and Marine Corps established their first F-35 *Lightning II* squadrons. The Air and Missile Defense Radar (AMDR) began development. The Standard Missile 6 (SM-6) was introduced to the fleet. None of these programs would be possible without your continued support.

The deployment of Littoral Combat Ship (LCS) USS FREEDOM to the Pacific is an important milestone in the LCS Program. The deployment tested the ship and its key operating concepts, overcame first-in-class challenges, and provided the Navy with lessons learned and ways to improve the program. The rotational forward deployment of the ship with our friends in Singapore was an unqualified success. In addition to contributing to relief efforts for Typhoon HAIYAN, the ship also conducted a very successful crew-swap, teaching us a great deal about the LCS' new and innovative manning and deployment concepts.

Our aviation and weapons programs are just as important to our ability to project power and provide presence as our shipbuilding. In May Admiral Greenert and I stood on the deck of USS GEORGE H. W. BUSH and watched the landing of the X-47B unmanned carrier demonstrator. It was an historic moment in naval aviation, and a critical step forward in the development of our naval unmanned systems. We are pushing ahead with the Unmanned Carrier Launched Airborne Surveillance and Strike system (UCLASS) to develop an aircraft capable of multiple missions and functions, including precision strike in a contested environment. Support for this aircraft is vital for shaping the carrier air-wing for the challenges of the 21<sup>st</sup> century. To enhance our combat effectiveness and efficiency, these unmanned systems need to be integrated into everything we do across the full range of military operations.

The at-sea testing of a directed energy weapon system was also an important development. These new systems can give the Navy an affordable, multi-mission weapon with a deep magazine and unmatched precision. Their modular nature will allow them to be installed on numerous different classes of ships in the future. We intend to deploy the system on the USS

PONCE to continue testing and inform follow on Navy and DoD research into developing and integrating affordable directed energy weapons into the Joint Force.

During difficult fiscal times it may be tempting to target research and development programs for savings. However, that kind of thinking is short sighted. These programs, and our entire research and development establishment from the Office of Naval Research to Navy labs to our industry partners, are vital to our future.

#### **Power – A National Security Issue**

Power and energy are central to our naval forces and our ability to be in the right place, around the world. It is what we need to get them there and keep them there. The Navy has a long, proud history of energy innovation. From sail to coal to oil to nuclear, and now to alternative fuels, the Navy has led the way.

Energy is a national security issue and can be, and is, used as a geostrategic weapon. Even with domestic oil production up, imports declining, and new oil and gas reserves being discovered, energy is still a security concern and military vulnerability. One reason for this is that oil is the ultimate global commodity, often traded on speculation and rumor. In the aftermath of the chemical weapons attack in Syria, oil prices surged to over \$107 per barrel and remained there for weeks, in what oil traders call a “security premium.” This same scenario plays out, such as during the crises in Egypt and Libya, and every time instability arises. Each \$1 increase in the price of a barrel of oil results in a \$30 million bill for the Navy and Marine Corps. This has huge implications across the Department of Defense and for our security. DOD is the largest single

institutional consumer of fossil fuels on earth and budgets about \$15 billion each year on fuel. But in fiscal years 2011 and 2012 price spikes added another \$3 billion to the DOD fuel bill. The potential bills from that “security premium” can mean that we will have fewer resources for maintenance and training. But more importantly, the cost of meeting our high fuel demand can also be measured in the lives of Marines killed or wounded guarding fuel convoys. During the height of operations in Afghanistan, we were losing one Marine, killed or wounded, for every 50 convoys transporting fuel into theater. That is far too high a price to pay.

In 2009, I announced five energy goals for the Department of the Navy in order to improve our energy security, increase our strategic independence, and improve our warfighting capabilities. The topline goal commits the Department of the Navy to generate one-half of its energy needs from non-fossil fueled sources by 2020. We are making real progress toward that goal through greater energy efficiency and alternative fuel initiatives. Burning cleaner fuel, or burning less fuel, is better for the environment but that is not our primary incentive. We’re pursuing these alternatives because they can make us better warfighters.

Under a Presidential Directive, the Department of the Navy is working with the Departments of Energy and Agriculture to help promote a national biofuel industry. This past year, under the authority in Title III of the Defense Production Act (DPA), we took an important step forward, with a DoD DPA award to four companies which committed to produce 160 million gallons of drop-in, military-compatible biofuels each year at an average price of well below \$4.00 per gallon, a price that is competitive with what we are paying today for conventional fuels. DOD policy and my prior commitment has been that we will only buy operational quantities of



biofuels when they are cost competitive. This initiative moves us far down that road. At full production, biofuels combined with conventional fuel at a 50/50 blend hold the promise of being able to cost-effectively provide our fleet with much of its annual fuel demand, providing real competition in the liquid fuels market.

We also continue to develop our energy efficiency through research and development of more efficient propulsion systems, shore-based power management and smart-grid technology, and conservation measures. For example, in the past year the Naval Facilities Engineering Command's Engineering and Expeditionary Warfare Center provided technology demonstrators at Camp Lemonnier, Djibouti which reduced fuel consumption nine percent base wide, even with a three percent increase in energy demand because of an increased population. At Joint Base Pearl Harbor Hickam a \$2.2 million contract for the Daylight Project was awarded, which will use sunlight to light warehouse spaces and utilize photo sensors to automatically turn off lights when daylight levels are sufficient. In aggregate, FY13 energy programs in Hawaii are projected to save the government \$4.7 million a year. The Marine Corps' development of expeditionary power solutions, through the Experimental Forward Operating Bases or ExFOB, has made them better warriors who are lighter and more agile in the face of today's global threats.

The Navy has a long and successful history of partnering with industry to promote business sectors and products important to our nation's military and economic security. From the development of the American steel industry to nuclear power, the Navy has helped the country develop economically while helping Sailors benefit from the cutting edge of technology to defend our nation. These programs are about diversifying fuel supplies, stabilizing fuel costs and

reducing overall energy needs. In achieving these energy goals, we will maximize our reach and maintain our global presence and make our Navy and Marine Corps more combat capable.

#### **Partnerships – The Global Maritime World**

For the last seven decades American naval forces have deployed around the world to be, as President Obama said this past year, the anchor of global security. We operate and exercise alongside our friends and partners around the world, to maintain the stability of the global maritime commons. We work to uphold the key principles of free trade in free markets based on freedom of navigation, which underwrites the unprecedented growth of the global economy.

In times of economic uncertainty it is more critical than ever to protect the stability of the global system. As 90 percent of worldwide trade moves at sea, this system, and the sophisticated set of international rules and treaties on which it is based, has become central to our global marketplace. However the efficiency and intricate interdependencies of a “just in time” economy place the system at risk from the destabilizing influences of rogue nations, non-state actors, and regional conflicts.

The Navy and Marine Corps, by nature of their forward presence and the boundless quality of the world’s oceans, are naturally suited to develop relationships, particularly in the innovative, small footprint ways the updated Defense Strategic Guidance and QDR require. Helping international partners increase their abilities and become more interoperable with us helps us all. Allies and partners around the world recognize that our combined naval forces offer a unique and critical capability. As an Asian Ambassador to the United States recently remarked to me, the

competing claims in the Pacific today have reminded some of our friends of the vital role U.S. naval forces play in global stability.

Providing security for free trade and freedom of navigation across the maritime domain requires more capacity than any single nation can muster. The United States Navy plays a principal role in maintaining the freedom of the seas, but it cannot play an exclusive role. Partnerships between like-minded nations, collaborating to ensure security and safety at sea, distribute the burden based on alliances, shared values and mutual trust.

A recent Naval History and Heritage Command study titled “You Cannot Surge Trust” has reinforced the fact that partnership and trust do not appear overnight. Naval operations, in peace and war, are fundamentally human endeavors. Operational success is based as much, or more, on professional norms, personal relationships and human decision making as on technology or hardware. Partnerships are a critical naval endeavor.

In the past year, we continued to develop the strength of our partnerships across the globe. Engagement between the leaders of the world’s naval forces is a critical component of building those human connections. Because of this, our senior uniformed leaders and I have traveled extensively to meet and consult with our peers.

Many nations have a longstanding territorial view inward, which caused them to focus overwhelmingly on land forces in the past. But in today’s globalized world they recognize that they now have to face outward. They are looking to the U.S. Navy and Marine Corps for advice

and assistance as they make that shift. Other nations are already maritime focused, and look to develop the ability to train, exercise, and operate together effectively to forward our shared goals. Through our meetings between senior leaders and exercises with our allies, partners, and friends we are building the international relationships, trust, and inter-operability which are vital to protecting our common interests in a globalized world.

In 2013 we conducted the largest exercise of the year in the Arabian Gulf, the International Mine Countermeasures Exercise (IMCMEX). With representatives from 41 countries, including 6,600 sailors on 35 ships, the world's navies cooperated to help promote regional stability and address the global challenge of mine warfare. Also this past year, Expeditionary Strike Group 3 and the 1<sup>st</sup> Marine Expeditionary Brigade conducted the multilateral amphibious exercise Dawn Blitz. Alongside amphibious units from Canada, New Zealand, and Japan, and observers from Australia, Chile, Colombia, Israel, Mexico, Peru and Singapore, the exercise helped increase our core amphibious capabilities, while also strengthening our partnership and interoperability. As I mentioned earlier our partners in Singapore hosted the first forward stationing of the Littoral Combat Ship USS FREEDOM. The ship conducted numerous exercises with our friends in Southeast Asia, expanding the number of ports we can visit and work from in the littorals.

Some of our exercises are smaller and more focused, like Obangame Express 2013 which occurred this past spring in the Gulf of Guinea. It concentrated on developing the maritime security and patrol capabilities of local forces in West and Central Africa that have seen increasing armed robbery at sea, piracy, smuggling and other maritime crimes. In part of this exercise a team of U.S. Sailors who specialize in maritime security missions worked on board

the Belgian Naval Ship GODETIA with our European allies, to train African sailors in the tactics for boarding and inspecting ships.

These are just a few examples of literally hundreds of operations, engagements, and exercises that the Navy and Marine Corps participated in during the past year. However, we also had a challenge in 2013 when it came to funding our operational, partnership and theater security cooperation missions. The Navy was forced to cancel or defer ship deployments supporting counter-narcotics missions in the Southern Command area of operations. Some exercises, including some in support of the Southern Partnership Station in Central and South America, had to be scaled back significantly because the sequester level funds did not provide us with the operating budget we needed to complete the missions. Future funding at sequester levels is likely to force us to continue to limit and prioritize our critical partnership building operations.

But our partnerships mean a great deal more than our alliances and friendships around the world. The Navy and Marine Corps also have critical relationships with industry and with the American people. Our nation's defense industrial workers are skilled, experienced, and innovative and can't be easily replaced. We must provide stability and predictability to the industrial base to maintain our ability to build the future fleet and keep our technological advantage. One of the strengths of our system is the teamwork of our uniformed warfighters, our Navy and Marine Corps civilians, the leadership team in Washington, and our industry partners.

Recently, the Chief of a Navy in the Asia-Pacific region reminded me of a fundamental difference between land forces and naval forces. Land forces, he said, look down at a map.

They look at borders and lines and limitations. Naval forces look out toward the vast horizon and they look to the future. Sailors and Marines are a unique breed. When they join the sea services they accept the challenge of the unknown with an adventurous spirit and an open mind. That is part of why the Navy and Marine Corps are naturally inclined toward partnership, and have been throughout our history, from operating with the Royal Navy to fight the slave trade in the 19th century to modern coalition operations in the Pacific and the Arabian Gulf. That same spirit which causes us to look for what comes next also causes us to look for new and innovative solutions, and new friends to help us across the globe.

#### **FY15 Budget Submission**

The Department of the Navy's FY15 budget request is designed to meet the updated Defense Strategic Guidance, and is informed by the 2014 Quadrennial Defense Review. It meets the objectives the strategy laid out, but our fiscal limits force us to accept a certain amount of risk in some mission areas. The Navy and Marine Corps continue to focus on planning for the 21<sup>st</sup> century including preparing for the anti-access, area-denial challenge, sustaining our global capability by increasing forward stationing and implementing new deployment models, and sustaining the All-Volunteer Force. Based on our strategic outlook we have had to make tough choices, and look to fund the most critical afloat and ashore readiness requirements, continue to provide sovereign sea-based options for the Commander-in-Chief, and to sustain our vital industrial base.

PB15 continues to build the fleet of more than 300 ships we will have by the end of this decade. This fleet will include established and proven platforms which we are currently deploying, next

generation platforms, and new advanced weapons, sensors, and payloads. Guided by operational concepts like Air Sea Battle, the experiences of more than ten years of war, and the lessons from our war-gaming and studies, the Navy and Marine Corps of 2020 will be able to continue to project power and to maintain stability in the global commons.

Supporting our Sailors and Marines is a vital part of our budget request. We have increased spending on high priority Quality of Service programs, including increased career sea pay to help incentivize sea duty. We have also modestly increased spending on Quality of Life programs including on-base housing. But these initiatives must be balanced to ensure our Sailors and Marines have the resources and equipment they need to complete the mission. Across the FYDP we will add funds to improve Quality of Work issues like training support and improving the availability of spare parts so our Sailors and Marines remain the most knowledgeable in the world and have the tools they need to do their jobs. We protect programs that support our Sailors or Marines when they need help. This includes sexual assault incident response and training, suicide prevention, and family support programs. We remain committed to our military-to-civilian transition assistance and work to ensure that our veteran employment programs offer the best opportunities to capitalized on the knowledge and skills of transitioning Sailors and Marines.

Maintaining undersea dominance is vital to the U.S. Navy. The development of the Virginia Payload Module (VPM) will be critical when our guided missile submarines (SSGNs) begin to retire in 2026. We must develop the VPM by funding R&D through FY18, so that we can introduce the modules into the very successful VIRGINIA class submarines, thus assuring that

we will not lose capability as the SSGNs retire. This budget also funds the development of improved sonar processors, improved sonobuoys, and improved torpedoes to help ensure that we maintain our core undersea advantage.

Continued production of proven platforms for the fleet is a key element in this budget and across the Future Years Defense Plan (FYDP). We will continue to build two VIRGINIA Class submarines and two ARLEIGH BURKE Class destroyers per year in order to help increase the size of the fleet and replace older ships as they retire. In FY15 we will purchase 29 MH-60R and 8 MH-60S helicopters, completing the upgrade of our tactical helicopter force which has been underway for the past decade. We will also continue the procurement of the next generation E-2D airborne early warning aircraft and of the MV-22B for the Marine Corps. These established and world leading platforms provide the foundation of the future fleet.

This budget also procures new and advanced platforms that will take our fleet into the future. We will build LCSs and AFSB, and continue to introduce Joint High Speed Vessels (JHSV) and MLPs to the fleet. This will provide modular and mission focused capabilities around the world, while helping to meet the presence requirements of the fleet. In aviation we will continue production of the new P-8 *Poseidon* maritime patrol aircraft across the FYDP, deploying new squadrons, as well as the F-35 *Lightning II* for both the Navy and Marine Corps. We will continue the introduction of the next generation SM-6 Standard Missile to our AEGIS capable ships, and fund the R&D for the Long Range Anti-Ship Missile (LRASM) which is vital for our future surface combatants. However, it is important to point out that given the reality of the \$38 billion reduction from PB14 to PB15, many of these purchases will be made at reduced rates.



PB15 buys 111 fewer aircraft and over 5000 fewer weapons across the FYDP than the PB14 program. This is part of the increased risk that we have had to accept.

Unmanned platforms and systems will be an important part of the future Navy and Marine Corps and our budget carries on with R&D and production of these critical platforms. The MQ-4 *Triton* will complete its testing phase during this budget, and we will begin production for the fleet across the rest of the FYDP. The R&D for UCLASS also continues in FY15, and throughout the FYDP. Developing these aircraft is vital to the future of the carrier air-wing. Unmanned Undersea Vehicles (UUVs) will be central to our mine-warfare capabilities and maintaining undersea dominance. This budget includes R&D for multiple systems, as well as deployment of the Mk 18 *Kingfisher* UUV for counter-mine missions. Across the entire spectrum of military operations, an integrated force of manned and unmanned platforms is the future.

We will continue to fund our energy programs with this budget by moving forward with the biofuels program under the DPA, as well as continuing our sea and shore based efficiency programs. This budget includes \$776 million in tactical and ashore energy programs in FY15, and \$3.8 billion across the FYDP. Our ashore initiatives, including appropriated funds and third party investments, of \$570 million in FY15 are projected to generate annual savings of over \$100 million dollars, starting in FY17, due to efficiencies. Investments in tactical programs help increase our on station time for ships, reduce need for resupply, and increase the amount of time our Marine Corps units can stay in the field, making us more capable militarily. Continuing to

work toward the Department's energy goals will allow us to lessen the impact of price volatility in the energy market and make us better warfighters.

This budget includes funds to maintain our presence in the Middle East, and advance our capabilities there. Funding for the continued deployment of the Interim-AFSB USS PONCE, improved manning for our mine-countermeasures ships, and the introduction of new capabilities, are important parts of this effort. The new weapons and systems, like the Laser Weapon System (LaWS) aboard PONCE, the Advanced Precision Kill Weapon System (APKWS) guided rockets for our MH-60 helicopters, and the *Sea Fox* UUV mine neutralization system, will help our Sailors and Marines maintain their edge in the Arabian Gulf and beyond. We are also funding the forward stationing of ten Coastal Patrol ships (PCs) to Bahrain which will increase their availability to the combatant commander and increased presence in the shallow waters of the region.

PB 15 also represents the platforms and payloads necessary for increasing operations in the Asia-Pacific region as we continue to support the rebalance toward Asia. This budget sustains the operations of our LCS's in Singapore, which includes early investment for the rotational deployment of up to four LCS's by 2017. Exercises in the Pacific, like our CARAT and Pacific Partnership missions, will be funded to ensure that we maintain our partnerships in the region. We also continue to support the growth in the number of Marines who are rotating through Darwin, Australia. This year we are expanding from a Company sized unit to a Battalion, and in the coming years we will continue to expand to a Marine Air Ground Task Force (MAGTF).

In our FY15 budget we include funding to support the movement of more of our ships and units forward as the most effective and cost-efficient means of maintaining our global presence. Forward based, stationed, or operating ships all provide presence at a significantly lower cost since one ship that operates continuously overseas provides the same presence as about four ships deploying rotationally from homeports in the United States. Besides the PC's to Bahrain and the LCS's to Singapore, we continue to fund the forward basing of four BMD capable DDG's to Rota, Spain. As the DDG's from Rota patrol European and African waters, we free other ships to deploy elsewhere. This year we will also begin moving JHSV's forward and prepare for the fleet introduction of the MLPs and AFSBs. We will continue the operations of, and expand the size of, the Marine Corps' new Special Purpose MAGTF-Crisis Response operating out of Moron, Spain.

It is our duty to spend the tax-payers' dollars wisely, and it is a duty that we take very seriously in the Department of the Navy. We continue to look at contractual services spending for efficiencies, with conscious decisions made to challenge requirements through mechanisms such as "contract courts," requiring annual justification of contracts. We are willing to accept higher levels of risk in some areas of services spending before sacrifices are made in force structure, modernization, or readiness. I have also ordered the Deputy Under Secretary of the Navy/Deputy Chief Management Officer to begin a comprehensive assessment of the business challenges facing the Navy and Marine Corps.

The FY15 budget request for the Navy and Marine Corps gives us what we need to accomplish the missions assigned in the new Quadrennial Defense Review and updated Defense Strategic

Guidance. However, the funding levels allowed under the Bipartisan Budget Act mean that we have to accept higher levels of risk for some of those missions. If the nation is confronted with a technologically advanced challenger, or more than one major contingency operation at a time, those risks would increase further. We face readiness challenges that are a result of sequester induced shortfalls, continuing fiscal constraints, and the high demand for naval forces globally.

### **Conclusion**

This year we commemorate the 150<sup>th</sup> anniversary of the Battle of Mobile Bay. A century and a half ago our nation was engulfed in the Civil War. A Task Force under the command of Admiral David Farragut, one of our Navy's greatest heroes, attacked the ships and forts that defended the port at Mobile, Alabama. Facing down Confederate Ironclads and a treacherous minefield in the shallow, enclosed waters, he issued his famous order, "Damn the Torpedoes, full speed ahead." Lashed high in the rigging of his flagship he led the attack from the front of the formation to capture the last major Confederate port on the Gulf Coast.

From the halls of Montezuma to Point Luck and the waters around Midway, our Sailors and Marines have demonstrate that kind of dedication and daring time and again. They, and our Navy and Marine Corps civilians, continue in that spirit today whether facing combat in Afghanistan, dangerous operations at sea, or the challenges created by the past year of budget instability. The budget request that we are making for FY15, the specific details of which are included in the President's FY15 budget submission, will provide them with the equipment, training, and resources they need to continue their efforts in support of our nation's security. As

our founding fathers outlined over two centuries ago, it is our responsibility to ensure that we maintain our Navy and Marine Corps.

Today we face a dangerous and challenging world. Rising powers and maritime territorial conflicts threaten freedom of navigation and the free trade of today's global economic system. Terrorist organizations continue to proliferate around the world. Political instability threatens to break into violence in numerous regions. The Navy and Marine Corps are our nation's insurance policy. Our People, Platforms, Power and Partnerships must be efficiently developed and appropriately funded to ensure our ability to provide the President with the options required and the American people with the security they deserve.

For 238 years our Sailors and Marines have been there when the nation called and we must endeavor to ensure that we are there for the future. Difficult times pose difficult questions, and the Commandant, CNO and I look forward to answering yours. The continued support of this committee is essential in ensuring the Navy and Marine Corps team has the resources it needs to defend our nation now and in the future. As President Woodrow Wilson once said, "A powerful Navy, we have always regarded as our proper and natural means of defense."

## Secretary of the Navy

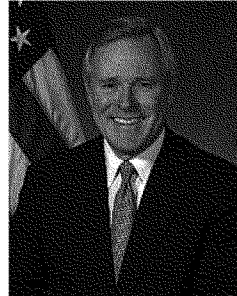
5/19/2009 - Present

### Ray Mabus

Ray Mabus is the 75th United States Secretary of the Navy and leads America's Navy and Marine Corps.

As Secretary of the Navy, Mabus is responsible for conducting the affairs of the Department of the Navy, including recruiting, organizing, equipping, training and mobilizing. Additionally, he oversees the construction and repair of naval ships, aircraft, and facilities, and formulates and implements policies and programs consistent with the national security policies established by the President and the Secretary of Defense. Secretary Mabus is responsible for an annual budget in excess of \$170 billion and leadership of almost 900,000 people.

Upon assumption of office and throughout his tenure, Mabus has prioritized improving the quality of life of Sailors, Marines and their families, decreasing the Department's dependence on fossil fuels, strengthening partnerships and revitalizing the Navy's shipbuilding program.



Leading the world's only global Navy, Mabus has traveled almost 670 thousand miles to over 95 countries to maintain and develop relationships with national and international officials and visit with Sailors and Marines forward deployed or stationed around the world. He has traveled to Afghanistan on ten separate occasions, in recognition of the sacrifice and service of Sailors and Marines deployed in combat zones.

To prepare service members and their families for the high tempo operations of today's Navy and Marine Corps, Mabus announced in 2012 the "21<sup>st</sup> Century Sailor and Marine" initiative, designed to build and maintain the most resilient and ready force possible.

Mabus also directed the Navy and Marine Corps to change the way they use, produce and acquire energy, and set an aggressive goal that no later than 2020, the Navy and Marine Corps obtain at least 50% of their energy from alternative sources. In pursuit of that goal the Department has achieved several milestones. In 2012, President Obama announced in his State of the Union address that the Department will purchase or facilitate the production of 1GW of renewable energy for use on Navy and Marine Corps installations. The Navy also demonstrated the Great Green Fleet in 2012, a carrier strike group in which every participating U.S. Navy ship and type of aircraft operated on alternative energy sources including nuclear energy and biofuels.

Secretary Mabus has made increasing the size of the naval fleet and protecting the industrial base a top budget priority of the Department. During his tenure, the Navy went from building fewer than five ships a year to having more than 40 ships under contract, most of them in fixed-price, multi-year deals that assure value for taxpayers, certainty for industry partners and strength for our nation.

In June 2010, as an additional duty, President Obama appointed Mabus to prepare the long-term recovery plan for the Gulf of Mexico in the wake of the Deepwater Horizon oil spill. Mabus' report was released in September 2010 and met with broad bi-partisan support with most recommendations passed into law by Congress as the Restore Act. Included in the legislation was a fund to aid in the Gulf Coast's recovery by distributing 80 percent of any civil penalties awarded as a result of the damage caused by the disaster. To date, civil penalties total more than one billion dollars.

Before his appointment, Mabus held a variety of leadership positions. From 1988 to 1992, Mabus served as Governor of Mississippi, the youngest elected to that office in more than 150 years. Mabus was Ambassador to the Kingdom of Saudi Arabia from 1994-1996 and later was Chairman and CEO of a manufacturing company.

Secretary Mabus is a native of Ackerman, Mississippi, and received a Bachelor's Degree, summa cum laude, from the University of Mississippi, a Master's Degree from Johns Hopkins University, and a Law Degree, magna cum laude, from Harvard Law School. After Johns Hopkins, Mabus served in the Navy as an officer aboard the cruiser USS Little Rock.

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE HOUSE ARMED  
SERVICES COMMITTEE

**STATEMENT OF  
ADMIRAL JONATHAN GREENERT**

**U.S. NAVY  
CHIEF OF NAVAL OPERATIONS**

**BEFORE THE**

**HOUSE ARMED SERVICES COMMITTEE**

**ON**

**FY 2015 DEPARTMENT OF THE NAVY POSTURE**

**12 MARCH 2014**

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE HOUSE ARMED  
SERVICES COMMITTEE

Chairman McKeon, Ranking Member Smith, and distinguished members of the Committee, I am honored to represent more than 600,000 active and reserve Sailors, Navy Civilians, and their Families, especially the 48,000 Sailors who are underway on ships and submarines and deployed in expeditionary roles, around the globe today.

As the chartlet below shows, 104 ships (36% of the Navy) are deployed around the globe protecting the nation's interests. This is our mandate: to be where it matters, when it matters.

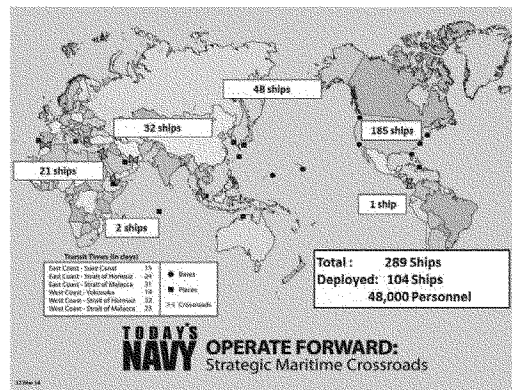


Figure 1: The Navy's forward presence today.

I would like to begin this statement by describing for you the guidance that shaped our decisions within the President's Budget for FY 2015 (PB-15) submission. I will address the Navy's situation following the budget uncertainty in FY 2013, the Bipartisan Budget Act of 2013 (BBA), and the National Defense Authorization Act (NDAA) for FY 2014. Then, I will provide details of our PB-15 submission.

### ***Strategic Guidance***

The governing document for PB-15 is the 2014 *Quadrennial Defense Review* (QDR). The QDR uses the 2012 *Defense Strategic Guidance* (DSG) as a foundation and builds on it to describe the Department of Defense's role in protecting and advancing US interests and



sustaining American leadership. The DSG and its ten *Primary Missions of the US Armed Forces* have guided Navy's planning for the past two years. Validated by the QDR, those missions remain the baseline against which I measure our posture in various fiscal scenarios. Also, 2020 is the benchmark year identified by the DSG, and that remains the timeframe on which my assessments are focused.

The QDR's updated strategy is built on three pillars: *Protect the Homeland, Build Security Globally, and Project Power and Win Decisively*. In support of these, it requires the Navy to "*continue to build a future fleet that is able to deliver the required presence and capabilities and address the most important warfighting scenarios.*"

In order to improve its ability to meet the nation's security needs in a time of increased fiscal constraint, the QDR also calls for the Joint Force to "rebalance" in four key areas; (1) *rebalancing for a broad spectrum of conflict*, (2) *rebalancing and sustaining our presence and posture abroad*, (3) *rebalancing capability, capacity, and readiness within the Joint Force*, and (4) *rebalancing tooth and tail*. To satisfy these mandates of the QDR strategy, the Navy has been compelled to make tough choices between capability and capacity, cost and risk, and to do so across a wide range of competing priorities. Our fundamental approach to these choices has not changed since I assumed this position. We continue to view each decision through the lens of the tenets I established when I took office: *Warfighting First, Operate Forward, Be Ready*.

## ***Overview***

When I appeared before you in September 2013, I testified that adherence to the Budget Control Act of 2011 (BCA) revised discretionary caps, over the long term, would result in a smaller and less capable Navy. That Navy would leave us with insufficient capability and capacity to execute at least four of the ten primary missions required by the DSG.

Passage of the BBA and the topline it sets for FY 2015, together with the fiscal guidance provided for this submission provide a level of funding for the Navy that is \$36 billion above the estimated BCA revised discretionary caps across the FY 2015 to FY 2019 Future Years Defense Plan (FYDP). That funding level is still \$31 billion below the level planned for in our PB-14

submission. Accordingly, the Navy PB-15 program reduces risk in most DSG primary missions when compared to a BCA cap scenario, but we still face higher risk in at least two primary missions compared to PB-14. This high risk is most likely to manifest if we are faced with a technologically advanced adversary, or if we attempt to conduct more than one multi-phased major contingency simultaneously.

In the PB-15 submission, we assess that the Navy of 2020 will:

- Include 308 ships in the Battle Force<sup>1</sup>, of which about 123 will be deployed. This global deployed presence will include more than two carrier strike groups (CSG) and two amphibious ready groups (ARG) deployed, on average. It is similar to the presence provided by PB-14.
- Provide “surge” capacity of about three CSG and three ARG, not deployed, but ready to respond to a contingency.
- Deliver ready forces to conduct the DSG primary mission *Deter and Defeat Aggression*, but with less margin for error or ability to respond to unforeseen or emergent circumstances, compared to PB-14.
- Conduct, but with greater risk, the DSG primary mission *Project Power Despite Anti-Access/Area Denial (A2/AD) Challenges* against a technologically advanced adversary compared to PB-14. This is principally due to slower delivery of new critical capabilities, particularly in air and missile defense, and overall ordnance capacity.
- Provide increased ship presence in the Asia-Pacific region of about 67 ships, up from about 50 on average today; presence in the Middle East will likewise increase from

<sup>1</sup> It should be noted that the Department of the Navy revised guidelines for accounting for the size of the Navy’s Battle Force. Therefore, numbers in this statement are not directly comparable to those used in prior testimony. Changes to guidelines include clarifying the accounting for smaller, forward deployed ships (e.g. patrol coastal, mine countermeasures ships, high speed transports) and ships routinely requested by Combatant Commanders (e.g. hospital ships).

The following table illustrates the differences between new and old Battle Force accounting guidelines:

|                              | <i>Today</i> | <i>FY 2015</i> | <i>FY 2020</i> |
|------------------------------|--------------|----------------|----------------|
| <i>PB-15: New Guidelines</i> | 289          | 284            | 308            |
| <i>PB-15: Old Guidelines</i> | 284          | 274            | 302            |

about 30 ships on average today to about 41 in 2020. These are both similar to the levels provided by PB-14.

In order to ensure the Navy remains a balanced and ready force while complying with the reduction in funding below our PB-14 plan, we were compelled to make difficult choices in PB-15, including slowing cost growth in compensation and benefits, maintaining the option to refuel or inactivate one nuclear aircraft carrier (CVN) and a carrier air wing (CVW), inducting eleven guided missile cruisers (CG) and three dock landing ships (LSD) into a phased modernization period, canceling procurement of 89 aircraft, canceling 3,500 planned weapons procurements, and reducing funding for base facilities sustainment, restoration, and modernization.

Additional challenges are on the horizon. In the long term beyond 2019 (the end of the PB-15 FYDP), I am increasingly concerned about our ability to fund the *Ohio* Replacement ballistic missile submarine (SSBN) program—our highest priority program—within our current and projected resources. The Navy cannot procure the *Ohio* Replacement in the 2020s within historical shipbuilding funding levels without severely impacting other Navy programs.

### ***Where we are today***

Before describing our FY 2015 submission in detail, I will discuss the Navy's current posture, which established the baseline for our PB-15 submission.

The impact of the continuing resolution and sequestration reductions in FY 2013 compelled us to reduce afloat and shore operations, which created an afloat and shore maintenance and training backlog. We were able to mitigate some of the effects of this backlog through reprogramming funds in FY 2013 and Congressional action in FY 2014 to restore some funding. Impact to Navy programs, caused by the combination of sequestration and a continuing resolution in FY 2013 included:

- Cancellation of five ship deployments and delay of a carrier strike group (CSG) deployment.
- Inactivation, instead of repair, of *USS Miami* beginning in September 2013.

- Reduction of facilities sustainment by about 30% (to about 57% of the requirement).
- Reduction of base operations, including port and airfield operations, by about 8% (to about 90% of the requirement).
- Furlough of civilian employees for six days.

Shortfalls caused by FY 2013 sequestration still remain in a number of areas.

Shipbuilding programs experienced \$1 billion in shortfalls in FY 2013, which were partially mitigated with support from Congress to reprogram funds and by FY 2014 appropriations. PB-15 requests funding to remedy the remaining \$515 million in shipbuilding shortfalls. Funding to mitigate (but not enough to completely reconcile) other carryover shortfalls that remain in areas such as facilities maintenance, fleet spares, aviation depots, and weapons maintenance is requested in the Opportunity, Growth and Security (OGS) Initiative submitted to Congress with PB-15.

In FY 2014, Congress' passage of the BBA and subsequent appropriations averted about \$9 billion of the estimated \$14 billion reduction we would have faced under sequestration. As a result:

- We are able to fully fund our FY 2014 shipbuilding plan of eight ships.
- We are able to protect research, development, testing, and evaluation (RDT&E) funding to keep the *Ohio* Replacement Program—our top priority program—on track.
- We are able to fund all Navy aircraft planned for procurement in FY 2014.

In our readiness programs, \$39 billion of the \$40 billion requirement was funded, enabling us to:

- Fund all ship maintenance.
- Fund all required aviation depot maintenance.
- Fully fund ship and aircraft operations.

The remaining \$5 billion shortfall below our PB-14 request includes about \$1 billion in operations and maintenance accounts and about \$4 billion in investment accounts. To deal with

this shortfall, in the area of operations and maintenance we are aggressively pursuing contracting efficiencies in: facilities sustainment projects, aviation logistics, and ship maintenance. To address the remaining investment shortages, we are compelled to reduce procurement of weapons and spare parts, to extend timelines for research and development projects, and to defer procurement of support equipment for the fleet.

***Our strategic approach: PB-15***

In developing our PB-15 submission, we evaluated the warfighting requirements to execute the primary missions of the updated DSG. These were informed by current and projected threats, global presence requirements defined by the Global Force Management Allocation Plan (GFMAP), and warfighting scenarios described in the Combatant Commanders' operational plans and Secretary of Defense-approved Defense Planning Scenarios (DPS). To arrive at a balanced program within fiscal guidance, we focused first on building appropriate capability, then delivering it at a capacity we could afford. Six programmatic priorities guided us:

*First*, maintain a credible, modern, and survivable sea-based strategic deterrent. Under the New START Treaty, the Navy SSBN force will carry about 70% of the US accountable deployed strategic nuclear warheads by 2020. Our PB-15 request sustains today's 14-ship SSBN force, the Trident D5 ballistic missile and support systems, and the Nuclear Command, Control, and Communications (NC3) system. The *Ohio*-class SSBN will retire, one per year, beginning in 2027. To continue to meet US Strategic Command presence and surge requirements, PB-15 starts construction of the first *Ohio* Replacement SSBN in 2021 for delivery in 2028 and first deterrent patrol in 2031.

*Second*, sustain forward presence of ready forces distributed globally to be where it matters, when it matters. We will utilize cost-effective approaches such as forward basing, forward operating, and forward stationing ships in the Asia-Pacific, Europe, and the Middle East. Rotational deployments will be stabilized and more predictable through implementation of an improved deployment framework we call the Optimized Fleet Response Plan (O-FRP). We will distribute our ships to align mission and capabilities to global region, ensuring high-end

combatants are allocated where their unique capabilities are needed most. We will meet the adjudicated FY 2015 Global Force Management Allocation Plan (GFMAP); however, this represents only 44% of the global Geographic Combatant Commander (GCC) requests. Sourcing all GCC requests would require about 450 combatant ships with requisite supporting structure and readiness.

*Third*, preserve the means (capability and capacity) to both win decisively in one multi-phase contingency operation and deny the objectives of—or impose unacceptable costs on—another aggressor in another region. In the context of relevant warfighting scenarios, we assessed our ability to provide more than fifty end-to-end capabilities, also known as “kill chains” or “effects chains.” Each chain identifies all elements needed to provide a whole capability, including sensors, communications and networks, operators, platforms, and weapons. PB-15 prioritizes investments to close gaps in critical kill chains, and accepts risk in capacity or in the rate at which some capabilities are integrated into the Fleet.

*Fourth*, focus on critical afloat and ashore readiness to ensure “the force” is adequately funded and ready. PB-15 (compared to a BCA revised caps level) improves our ability to respond to contingencies (“surge” capacity) by increasing the readiness of non-deployed forces. However, it increases risk to ashore readiness in FY 2015, compared to PB-14, by reducing facilities sustainment, restoration, and modernization (FSRM) and military construction (MILCON) investments. This reduction adds to backlogs created by the deferrals in FY 2013 and FY 2014, exacerbating an existing readiness problem.

*Fifth*, sustain or enhance the Navy’s asymmetric capabilities in the physical domains as well in cyberspace and the electromagnetic spectrum. Our FY 2015 program prioritizes capabilities to remain ahead of or keep pace with adversary threats, including electromagnetic spectrum and cyber capabilities and those capabilities that provide joint assured access developed in concert with other Services under *Air-Sea Battle*. Our program terminates certain capability programs that do not provide high-leverage advantage, and slows funding for those that assume too much technical risk or could be developed and “put on the shelf” until needed in the future.

*Sixth*, sustain a relevant industrial base, particularly in shipbuilding. We will continue to evaluate the impact of our investment plans on our industrial base, including ship and aircraft builders, depot maintenance facilities, equipment and weapons manufacturers, and science and technology researchers. The government is the only customer for some of our suppliers, especially in specialized areas such as nuclear power. PB-15 addresses the health of the industrial base sustaining adequate capacity, including competition, where needed and viable. We will work closely with our industry partners to manage the risk of any further budget reductions.

Stewardship Initiatives. Another important element of our approach in PB-15 included business transformation initiatives and headquarters reductions to comply with Secretary of Defense (SECDEF) direction. In order to maximize warfighting capability and capacity, the Department of the Navy achieved approximately \$20 billion in savings across the PB-15 FYDP through a collection of business transformation initiatives. These can be grouped into four major categories: 1) more effective use of operating resources (about \$2.5 billion over the FYDP), 2) contractual services reductions (about \$14.8 billion FYDP), 3) Better Buying Power (BBP) in procurement (about \$2.7 billion FYDP), and 4) more efficient research and development (about \$200 million FYDP). These initiatives build on Navy and Department of Defense (DOD) initiatives that date back to 2009 and represent our continuing commitment to be good stewards of taxpayer dollars.

Our PB-15 request also achieves savings through significant headquarters reductions, placing us on track to meet the 20% reduction by FY 2019 required by SECDEF fiscal guidance. We applied reductions to a broader definition of headquarters than directed, achieving a savings of \$33 million in FY 2015 and \$873 million over the FYDP from reductions in military, civilian, and contractor personnel. In making these reductions, we protected fleet operational warfighting headquarters and took larger reductions in other staffs.

### ***What we can do***

As described earlier, PB-15 represents some improvement over a program at the BCA revised caps, but in PB-15 we will still face high risk in executing at least two of the ten primary

missions of the DSG in 2020. The 2012 Force Structure Assessment<sup>2</sup> (FSA) and other Navy analysis describe the baseline of ships needed to support meeting each of the ten missions required by the DSG. Against that baseline and our “kill chain” analysis described earlier, we assess that under PB-15 the Navy of 2020 supports each of the ten DSG missions as follows:

*1. Provide a Stabilizing Presence.* Our PB-15 submission will meet the adjudicated presence requirements of the DSG. By increasing the number of ships forward stationed and forward based, PB-15 in some regions improves global presence as compared to our PB-14 submission. The Navy of 2020:

- Provides global presence of about 123 ships, similar to the aggregate number planned under PB-14.
- Increases presence in the Asia-Pacific from about 50 ships today on average to about 67 in 2020 on average, a greater increase than planned under PB-14.
- “Places a premium on US military presence in—and in support of—partner nations” in the Middle East, by increasing presence from about 30 ships<sup>3</sup> today on average to about 41 on average in 2020.
- Continues to “evolve our posture” in Europe by meeting ballistic missile defense (BMD) European Phased Adaptive Approach (EPAA) requirements with four BMD-capable guided missile destroyers (DDG) in Rota, Spain and two land-based sites in Poland and Romania. The first of these DDG, *USS Donald Cook*, arrived in February 2014 and all four will be in place by the end of FY 2015. Additional presence in Europe will be provided by forward operating joint high speed vessels (JHSV) and some rotationally deployed ships.
- Will provide “innovative, low-cost and small-footprint approaches” to security in Africa and South America by deploying one JHSV, on average, to each region.

<sup>2</sup> Consistent with other “ship counts” in this statement, the regional presence numbers described in this section are not directly comparable to those used in previous years due to the Battle Force counting guidelines revision.

<sup>3</sup> Under revised Battle Force accounting guidelines, the Middle East presence today now includes eight patrol coastal (PC) ships forward based in Bahrain; the number will increase to 10 in FY 2014. PC were not counted previously before the revision.



Beginning in FY 2015, we will deploy one hospital ship (T-AH), on average, and, beginning in FY 2016, add one patrol coastal (PC) ship, on average, to South America. Afloat forward staging bases (AFSB) forward operating in the Middle East will also provide additional presence in Africa as required.

2. *Counter Terrorism and Irregular Warfare (CT/IW).* We will have the capacity to conduct widely distributed CT/IW missions. This mission requires Special Operations Forces, expeditionary capabilities such as Intelligence Exploitation Teams (IET), and specialized platforms such as two AFSB and four littoral combat ships (LCS) with embarked MH-60 *Seahawk* helicopters and MQ-8 *Fire Scout* unmanned air vehicles. PB-15 adds capacity for this mission by procuring a third mobile landing platform (MLP) AFSB variant in FY 2017 for delivery in FY 2020.

3. *Deter and Defeat Aggression.* FSA analysis described the ship force structure required to meet this mission's requirement: to be able to conduct one large-scale operation and *"simultaneously be capable of denying the objectives of—or imposing unacceptable costs on—an opportunistic aggressor in a second region."* According to the FSA, the Navy has a requirement for a force of 11 CVN, 88 large surface combatants (DDG and CG), 48 attack submarines (SSN), 11 large amphibious assault ships (LHA/D), 11 amphibious transport docks (LPD), 11 LSD, 52 small surface combatants (collectively: LCS, frigates, mine countermeasure ships) and 29 combat logistics force (CLF) ships. This globally distributed force will yield a steady state deployed presence of more than two CSG and two amphibious ready groups (ARG), with three CSG and three ARG ready to deploy in response to a contingency ("surge"). The Navy of 2020 delivered by PB-15, however, will be smaller than the calculated requirement in terms of large surface combatants, LHA/D, and small surface combatants. This force structure capacity provides less margin for error and reduced options in certain scenarios and increases risk in this primary mission. If we return to a BCA revised caps funding level in FY 2016, the situation would be even worse. We would be compelled to inactivate a CVN and CVW and to reduce readiness and other force structure to ensure we maintain a balanced, ready force under the reduced fiscal topline. As in the BCA revised caps scenario I described previously, these reductions would leave us with a Navy that is capable of one multi-phase contingency. Under these circumstances, we would not meet this key DSG mission.

4. *Conduct Stability and Counterinsurgency Operations.* The Navy of 2020 will be able to meet the requirements of this DSG mission.

5. *Project Power Despite Anti-Access/Area-Denial (A2/AD) Challenges.* Compared to PB-14, our overall power projection capability development would slow, reducing options and increasing our risk in assuring access. The reduced procurement of weapons and slowing of air and missile defense capabilities, coupled with joint force deficiencies in wartime information transport and airborne intelligence, surveillance, and reconnaissance (ISR), will cause us to assume high risk in conducting this DSG mission if we are facing a technologically advanced adversary. PB-15 makes results in the following changes to air and missile defense capabilities (versus PB-14):

- The Navy Integrated Fire Control-Counter Air (NIFC-CA) Increment I capability will still field (with the E-2D *Advanced Hawkeye* aircraft) in 2015, but only four air wings (versus six in PB-14) will have transitioned to the E-2D by 2020. Fewer air wings with E-2D translates to less assured joint access. NIFC-CA Increment I integrates aircraft sensor and ship weapon capabilities, improving lethality against advanced air and missile threats.
- The F-35C *Lightning II*, the carrier-based variant of the Joint Strike Fighter, is scheduled to achieve Initial Operational Capability (IOC) between August 2018 and February 2019. However, our F-35C procurement will be reduced by 33 airframes in the PB-15 FYDP when compared to PB-14. The F-35C, with its advanced sensors, data sharing capability, and ability to operate closer to threats, is designed to enhance the CVW's ability to find targets and coordinate attacks. The impact of this reduced capacity would manifest itself particularly outside the FYDP, and after F-35C IOC.
- All components of an improved air-to-air kill chain that employs infrared (IR) sensors to circumvent adversary radar jamming will be delayed one year. The Infrared Search and Track (IRST) Block I sensor system will field in 2017 (versus 2016) and the improved longer-range IRST Block II will not deliver until 2019 (versus 2018).

- Improvements to the air-to-air radio frequency (RF) kill chain that defeats enemy jamming and operates at longer ranges will be slowed, and jamming protection upgrades to the F/A-18E/F *Super Hornet* will be delayed to 2019 (versus 2018).

However, PB-15 sustains our advantage in the undersea domain by delivering the following capabilities:

- PB-15 procures 56 P-8A *Poseidon* maritime patrol aircraft over the FYDP, replacing the legacy P-3C *Orion*'s capability.
- Continues to procure two *Virginia*-class SSN per year through the FYDP, resulting in an inventory of 21 *Virginia*-class (of 48 total SSN) by 2020.
- Continues installation of anti-submarine warfare (ASW) combat system upgrades for DDG and improved Multi-Function Towed Arrays (MFTA) for DDG and CG. Both installations will be complete on all DDG forward based in the Western Pacific by 2018.
- All of our P-8A and ASW helicopters in the Western Pacific will still be equipped with upgraded sonobuoys and advanced torpedoes by 2018.
- The LCS mine countermeasures (MCM) mission package, which employs unmanned vehicles and offboard sensors to localize and neutralize mines, will complete testing of its first increment in 2015 and deploy to the Arabian Gulf with full operational capability by 2019.
- The LCS ASW mission package, which improves surface ASW capability by employing a MFTA in concert with a variable depth sonar (VDS), will still field in 2016.
- Additional Mk 48 Advanced Capability (ADCAP) heavyweight torpedoes, restarting the production line and procuring 105 Mod 7 torpedoes across the FYDP. The restart will also provide a basis for future capability upgrades.

6. *Counter Weapons of Mass Destruction.* This mission has two parts: (1) interdicting weapons of mass destruction as they proliferate from suppliers, and (2) defeating the means of

delivery during an attack. PB-15 will meet requirements for this mission by providing sufficient deployed CSG, ARG, and surface combatants, as well as SEAL and EOD platoons, to address the first part. For the second part, BMD-capable DDG exist in sufficient numbers to meet adjudicated GCC presence requirements under the GFMAP, and can be postured to counter weapons delivered by ballistic missiles in regions where threats are more likely to emanate. That said, missile defense capacity in some scenarios remains a challenge and any reduction in the number of BMD-capable DDG raises risk in this area.

*7. Operate Effectively in Space and Cyberspace.* Our PB-15 submission continues to place priority on cyber defense and efforts to build the Navy's portion of the Department of Defense's Cyber Mission Forces. Continuing PB-14 initiatives, PB-15 will recruit, hire, and train 976 additional cyber operators and form 40 cyber mission teams by 2016. Additionally, we will align Navy networks with a more defensible DOD Joint Information Environment (JIE) through the implementation of the Next Generation Enterprise Network (NGEN) ashore and Consolidated Afloat Networks and Enterprise Services (CANES) at sea.

*8. Maintain a Safe, Secure, and Effective Nuclear Deterrent.* This mission is the Navy's top priority in any fiscal scenario, and our PB-15 submission will meet its requirements. It satisfies STRATCOM demand for SSBN availability through the end of the current *Ohio* class' service life. Additionally, our PB-15 submission funds Nuclear Command, Control, and Communications (NC3) modernization and the Trident D5 ballistic missile Life Extension Program (LEP) while sustaining the fleet of E-6B *Mercury* Take Charge and Move Out (TACAMO) aircraft.

*9. Defend the Homeland and Provide Support to Civil Authorities.* PB-15 will maintain an appropriate capacity of aircraft carriers, surface combatants, amphibious ships, and aircraft that are not deployed and are ready for all homeland defense missions.

*10. Conduct Humanitarian, Disaster Relief, and Other Operations.* Our analysis determined that a global presence of two ARG and nine JHSV is sufficient to conduct these operations. Our PB-15 submission will support this level of presence.

***Manpower, Modernization, Warfighting Capability, and Readiness***

The following paragraphs describe more specific PB-15 programs actions that result from our strategic approach and influence our ability to conduct the missions required by the DSG:

End Strength. PB-15 supports a FY 2015 Navy active end strength of 323,600, and reserve end strength of 57,300. It appropriately balances risk, preserves capabilities to meet current Navy and Joint requirements, fosters growth in required mission areas, and provides support to Sailors, Navy Civilians and Families. We adjusted both Active and Reserve end strength to balance available resources utilizing a Total Force approach. PB-15 end strength remains fairly stable across the FYDP, reaching approximately 323,200 Active and 58,800 Reserve in FY 2019.

Shipbuilding. Our PB-15 shipbuilding plan combines the production of proven platforms with the introduction of innovative and cost effective platforms in order to preserve capacity while enhancing capability. Simultaneously, we will sustain efforts to develop new payloads that will further enhance the lethality and effectiveness of existing platforms and continue mid-life modernizations and upgrades to ensure their continued relevance. We will continue to field flexible, affordable platforms like AFSB and auxiliary ships that operate forward with a mix of rotational civilian and military crews and provide additional presence capacity for certain missions requiring flexibility, volume, and persistence. PB-15 proposes:

- Funding for 14 LCS across the FYDP (three per year in FY 2015 – 2018 and two in FY 2019). However, in accordance with SECDEF direction, we will cease contract negotiations after we reach a total of 32 ships (12 procured in the PB-15 FYDP). Per direction, we will assess LCS' characteristics such as lethality and survivability, and we are studying options for a follow-on small surface combatant, and follow on flight of LCS.
- Two *Virginia*-class SSN per year, maintaining the planned ten-ship Block IV multi-year procurement (FY 2014 – FY 2018).
- Two *Arleigh Burke*-class DDG per year, maintaining the ten-ship multi-year procurement (FY 2013 – 2017). PB-15 procures ten DDG (three Flight IIA and seven

Flight III) in the FYDP. The first Flight III DDG, which will incorporate the advanced Air and Missile Defense Radar (AMDR), will be procured in FY 2016 and delivered in FY 2021.

- An additional AFSB variant of the *Montford Point*-class MLP in FY 2017. This AFSB will deliver in FY 2020 and will forward operate in the Asia-Pacific region.
- Three T-AO(X) fleet oilers (in FY 2016, 2018, and 2019, respectively).
- Advanced procurement requested in FY 2019 to procure one LX(R) amphibious ship replacement in FY 2020.

Additionally, to comply with fiscal constraints, our PB-15 submission delays delivery of the second *Ford*-class CVN, *USS John F. Kennedy* (CVN 79) from FY 2022 to FY 2023.

Aviation. PB-15 continues our transition to the Future Carrier Air Wing, which will employ manned and unmanned systems to achieve air, sea, and undersea superiority across capability “kill chains.” We will also continue to field more advanced land-based maritime patrol aircraft (manned and unmanned) to evolve and expand our ISR, ASW, and sea control capabilities and capacity. To further these objectives while complying with fiscal constraints, PB-15:

- Continues plans to transition the F/A-18E/F *Super Hornet* fleet from production to sustainment with the final 37 aircraft procured in FY 2013 and scheduled for delivery in FY 2015. Likewise, the final EA-18G *Growler* electronic warfare aircraft will be procured in FY 2014 and delivered in FY 2016. We are forced to assume the risk of moving to a single strike fighter prime contractor due to fiscal constraints.
- Maintains IOC of the F-35C *Lightning II* between August 2018 and February 2019. However, due to fiscal constraints, we were compelled to reduce F-35C procurement by 33 airframes across the FYDP.
- Maintains initial fielding of the E-2D *Advanced Hawkeye* and its NIFC-CA capability in FY 2015. Due to fiscal constraints, we were compelled to reduce procurement by

ten airframes over the FYDP with four CVW completing transition to the E-2D by 2020, versus the preferred six in PB-14.

- Continues development of the Unmanned Carrier Launch Surveillance and Strike System (UCLASS), a major step forward in achieving integration of manned and unmanned systems within the CVW. UCLASS remains on a path to achieve Early Operational Capability (EOC) within four to five years of contract award, which is projected for FY 2015.
- Continues to transition to the P-8A *Poseidon* maritime patrol aircraft from the legacy P-3C *Orion*. However, we were compelled by fiscal constraints to lower the final P-8A inventory objective from 117 to 109 aircraft. The warfighting requirement remains 117, but we can only afford 109.
- Continues development of the MQ-4C *Triton* land-based unmanned ISR aircraft. However, technical issues delayed the low-rate initial production decision from FY 2015 to FY 2016. Together with fiscal constraints, this reduces procurement of MQ-4C air vehicles in the FYDP from 23 to 16. *Triton* will make its first deployment to the Pacific in FY 2017. The multi-INT version will start fielding in 2020.
- Aligns the MQ-8 *Fire Scout* ship-based unmanned helicopter program to LCS deliveries. Fiscal constraints and global force management (GFM) demands on our surface combatants compelled us to remove options to conduct dedicated ISR support to Special Operations Forces (SOF) from DDG and JHSV, but *Fire Scout*-equipped LCS can be allocated to Combatant Commanders by the GFM process to support this mission. This decision reduces procurement of MQ-8 air vehicles across the FYDP by 19.
- Continues our maritime Intelligence, Surveillance, Reconnaissance, and Targeting (ISR&T) transition plan to deliver increased ISR persistence by the end of FY 2018 and exceed the aggregate capability and capacity of our legacy platforms by the end of FY 2020. However, as we transition from legacy platforms like the EP-3E *Aries II*, fiscal constraints will compel us to take moderate risk in some collection capabilities over the next few years.

Modernization. In parallel with recapitalization, PB-15 continues modernization of in-service platforms. Flight I and II of the *Arleigh Burke*-class DDG began mid-life modernization in FY 2010, and will continue at the rate of 2 hulls per year (on average) through FY 2016. In FY 2017, we will begin to modernize Flight IIA DDG in parallel with Flight I and II in order to do so closer to the midpoint in the Flight IIA's service lives and increase return on investment. This will also increase operational availability and BMD capacity sooner than a serial, "oldest-first" plan. Nine of twelve *Whidbey Island*-class LSD have undergone a mid-life update and preservation program, and seven *Wasp*-class large deck amphibious assault ships (LHD) will complete mid-life modernization by FY 2022. Modernization of the 8th LHD, *USS Makin Island* will be addressed in subsequent budget submissions.

The Navy's budget must also include sufficient readiness, capability and manpower to complement the force structure capacity of ships and aircraft. This balance must be maintained to ensure each unit will be effective, no matter what the overall size and capacity of the Fleet. To preserve this balance and modernize cruisers while avoiding a permanent loss of force structure and requisite "ship years," PB-15 proposes to induct eleven *Ticonderoga*-class CG into a phased modernization period starting in FY 2015. Only fiscal constraints compel us to take this course of action; CG global presence is an enduring need. The ships will be inducted into phased modernization and timed to align with the retirements of CG such that the modernized ships will replace one-for-one, when they finish modernization. This innovative plan permits us to reapply the CG manpower to other manning shortfalls while simultaneously avoiding the operating costs for these ships while they undergo maintenance and modernization. The plan to modernize and retain the CG adds 137 operational "ship years" to the Battle Force and it extends the presence of the *Ticonderoga* class in the Battle Force to 58 years. It avoids approximately \$2.2 billion in operating and maintenance costs across the FYDP for eleven CG. In addition, it precludes Navy having to increase our overall end strength by about 3,400 people (approximately \$1.6 billion over the FYDP), which would otherwise be required to fill critical shortfalls in our training pipelines and fleet manning.

PB-15 also proposes to induct three *Whidbey Island*-class LSD into phased modernization availabilities on a "rolling basis" beginning in FY 2016, with two of the three always remaining in service. Similar to the CG plan, the LSD plan avoids approximately \$128



million across the FYDP in operating and maintenance and an end strength increase of approximately 300 people (approximately \$110 million over the FYDP) for the one LSD that will be in this category during the PB-15 FYDP. This plan adds 35 operational “ship years” and sustains the presence of the *Whidbey Island* class in the Battle Force through 2038.

We appreciate the additional funding and expanded timeframe given by Congress for modernizing and operating the LSD and CG proposed for permanent inactivation in PB-13. Consistent with the spirit of Congressional action, we are committed to a phased modernization of these nine ships, plus an additional four CG and one LSD. However, funding constraints still make us unable to keep all of these ships operational in every year, in the near term. While we would prefer to retain all LSD and CG deployable through the FYDP, a balanced portfolio under current fiscal constraints precludes this.

To mitigate a projected future shortfall in our strike fighter inventory while integrating the F-35C, PB-15 continues the Service Life Extension Program (SLEP) for the legacy F/A-18A-D *Hornet*. With SLEP modifications, some of these aircraft will achieve as much as 10,000 lifetime flight hours, or 4,000 hours and 16 years beyond their originally-designed life.

Electromagnetic Maneuver Warfare. In addition to the actions described earlier in the statement to improve air and missile defense and sustain our advantage in the undersea and information domains, our program enhances our ability to maneuver freely in the electromagnetic spectrum, while denying adversaries’ ability to do the same. It maintains our investment in the Ships’ Signals Exploitation Equipment (SSEE) Increment F, which equips ships with a robust capability to interdict the communications and targeting elements of adversary kill chains by 2020. It delivers upgraded electromagnetic sensing capabilities for surface ships via the Surface Electronic Warfare Improvement Program (SEWIP) Block 2 that will deliver in 2016. PB-15 then begins low rate initial production (LRIP) of SEWIP Block 3 in 2017 to add jamming and deception capabilities to counter advanced anti-ship cruise missiles. To enhance CVW capabilities to jam enemy radars and conduct other forms of electromagnetic spectrum maneuver warfare, PB-15 maintains our investments in the Next Generation Jammer (NGJ). NGJ will provide the EA-18G *Growler* with enhanced Airborne Electronic Attack (AEA) capabilities for conventional and irregular warfare. The current ALQ-99 jammer, which

has been the workhorse of the fleet for more than 40 years, will not be able to meet all requirements in challenging future environments.

Mine Warfare. Mines are a low-cost, asymmetric weapon that can be effective in denying US forces access to contested areas. To enhance our ability to counter mines in the Middle East and other theaters, our PB-15 program sustains investments in the LCS mine countermeasures (MCM) mission package, completing initial testing of its first increment in 2015 and achieving full operational capability in 2019. With these packages installed, LCS will locate mines at twice the rate our existing MCM ships can achieve, while keeping the LCS and its crew outside the mine danger area. LCS also has significantly greater on-station endurance and self-defense capability than existing MCM. PB-15 sustains our interim AFSB, *USS Ponce*, in service until FY 2016. *USS Ponce* provides forward logistics support and command and control to MCM ships and helicopters, allowing them to remain on station longer and sustain a more rapid mine clearance rate. In the near-term, PB-15 continues funding for Mk 18 *Kingfish* unmanned underwater vehicles (UUV) and *Sea Fox* mine neutralization systems deployed to the Arabian Gulf today, as well as increased maintenance and manning for *Avenger*-class MCM ships forward based in Bahrain.

Precision Strike. Our precision strike capabilities and capacity will be critical to success in any foreseeable future conflict. Accordingly, PB-15 funds research and development for the *Virginia* Payload Module (VPM) through FY 2018 to increase *Virginia*-class SSN Tomahawk missile capacity from 12 to 40 missiles, mitigating the loss of capacity as *Ohio*-class guided missile submarines (SSGN) begin to retire in 2026. These efforts will support the option to procure the VPM with Block V of the *Virginia* class, as early as FY 2019, in a future budget. Also in support of strike capacity, PB-15 sustains the existing Tactical Tomahawk cruise missile inventory by extending service life through investments in critical capability enhancements and vital parts to achieve maximum longevity. To develop a follow-on weapon to replace Tactical Tomahawk when it leaves service, PB-15 commences an analysis of alternatives (AoA) in FY 2015 for planned introduction in the 2024-2028 timeframe. Also, our program enhances CVW precision strike capabilities by integrating the Small Diameter Bomb II (SDB II) on the F/A-18 by 2019.

Anti-Surface Warfare. To pace improvements in adversaries' long-range anti-ship cruise missiles and maritime air defenses, PB-15 implements a plan to deliver next-generation anti-surface warfare (ASuW) capability. The program maintains current ASuW capability inherent in the Harpoon missile, Joint Standoff Weapon (JSOW) C-1, and Mk 48 ADCAP torpedoes. In the near term, we are pursuing options to develop an improved, longer-range ASuW capability by leveraging existing weapons to minimize technical risk, costs, and development time. Additionally, PB-15 funds enhanced ASuW lethality for LCS by introducing a surface-to-surface missile (SSMM) in FY 2017. PB-15 accelerates acquisition of the next-generation Long Range Anti-Ship Missile (LRASM), fielding an early air-launched capability on the Air Force B-1B *Lancer* bomber in FY 2018 and integration with the F/A-18E/F in FY 2019. Additionally, PB-15's restart of Mk 48 ADCAP production and acquisition of 105 Mod 7 torpedoes over the FYDP enhances submarine ASuW capacity and provides a basis for future capability upgrades.

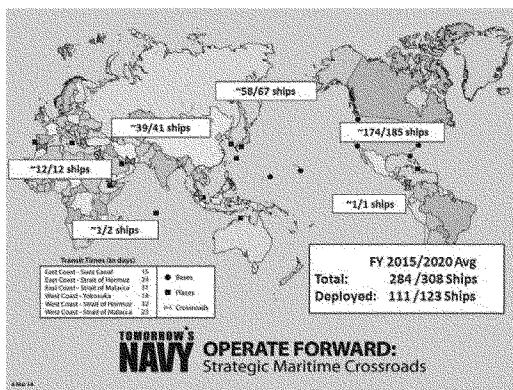


Figure 2: Navy's projected forward presence in FY 2015 and FY 2020

Forward Presence. PB-15 continues our DSG-directed rebalance to the Asia-Pacific both in terms of force structure and in other important ways. It increases our presence in the region from about 50 ships today on average to about 67 by 2020. In doing so, we continue to leverage our own “bases” in the region, such as Guam and Hawaii, as well as “places” where our allies and partners allow us to use their facilities to rest, resupply, and refuel. PB-15 continues to preferentially field advanced payloads

and platforms with power projection capabilities, such as the F-35C *Lightning II*, the *Zumwalt*-class DDG, the AIM-120D Advanced Medium Range Air-to-Air Missile (AMRAAM), and the P-8A *Poseidon* to the Asia-Pacific first in response to the rapidly increasing A2/AD capabilities of potential adversaries in the region.

In our PB-15 submission, we seek to maximize our presence in the Asia-Pacific and other regions using both rotational and non-rotational forces. Rotational forces deploy to overseas theaters from homeports in the United States for finite periods, while non-rotational forces are sustained in theater continuously. Non-rotational forces can be forward based, as in Spain and Japan, where ships are permanently based overseas and their crews and their families reside in the host country. Forward stationed ships operate continuously from overseas ports but are manned by crews that deploy rotationally from the United States, as is the case with the LCS deployed to Singapore, with four ships in place by 2017. Forward operating ships, by contrast, operate continuously in forward theaters from multiple ports and are manned by civilian mariners and small detachments of military personnel who rotate on and off the ships. Examples of forward operating ships include MLP, JHSV, AFSB, and the oilers and combat support ships of the Combat Logistics Force (CLF). Forward based, stationed, or operating ships all provide presence at a significantly lower cost since one ship that operates continuously overseas provides the same presence as about four ships deploying rotationally from homeports in the United States.

To capitalize on this advantage, our PB-15 program continues the move of four BMD-capable destroyers to Rota, Spain. The first of these, *USS Donald Cook*, is already in place, and three ships will join her by the end of FY 2015. We will likewise forward base an additional (fourth) SSN in Guam in FY 2015. PB-15 sustains our forward based MCM and PC in Bahrain, and forward stationed LCS will begin to assume their missions at the end of the decade. As JHSV are delivered and enter service, they will begin forward operating in multiple regions, including the Middle East in FY 2014, the Asia-Pacific in FY 2015, Africa in FY 2016, and Europe in FY 2017. *USNS Montford Point*, the first MLP, will deploy and begin forward operating from Diego Garcia in FY 2015. *USNS Lewis B. Puller*, the first AFSB variant of the *Montford Point* class, will relieve our interim AFSB, *USS Ponce*, and begin forward operating in the Middle East in FY 2016.

The Optimized Fleet Response Plan (O-FRP). In addition to maximizing forward presence by basing ships overseas, our PB-15 submission also takes action to maximize the operational availability and presence delivered by units that deploy rotationally from the United States. In FY 2015 we will begin implementation of the O-FRP, a comprehensive update to our existing Fleet Response Plan, the operational framework under which we have trained, maintained, and deployed our forces since 2003.

The legacy FRP employed units on repeating cycles about 30 months in length that were divided into four phases: maintenance, basic training, integrated (advanced) training, and sustainment. Scheduled deployments of notionally six to seven months were intended to take place in the sustainment phase, and the units' combat readiness was maintained for the remainder of the sustainment phase to provide "surge" capacity for contingency response.

Over the past few years, continuing global demand for naval forces coupled with reduced resources has strained the force. Continued demand in the Asia-Pacific, combined with increased commitments in the Persian Gulf, as well as responses to crisis events in Syria and Libya, coupled with an emerging global afloat BMD mission, have driven recent deployment lengths for certain units (CSG, ARG, and BMD-capable DDG in particular) as high as eight to nine months. Sequestration and a continuing resolution in FY 2013 added to these pressures by hampering maintenance and training, which slowed preparation of ships and delayed deployments. In many instances, we have been compelled to shorten training and maintenance or to deploy units twice in the same sustainment cycle. While the FRP provides flexibility and delivers additional forces where required for crisis response, the increased operational tempo for our forces in recent years is not sustainable in the long term without a revision of the FRP. Reductions in training and maintenance reduce the combat capability and readiness of our forces and the ability of our ships and aircraft to fulfill their expected service lives. These effects combine with unpredictable schedules to impact our Sailors' "quality of service," making it more difficult to recruit and retain the best personnel in the long-term.

The O-FRP responds to these schedule pressures and simultaneously makes several other process and alignment improvements to more effectively and efficiently prepare and deploy forces. Our analysis concluded that a 36-month deployment cycle (versus about 30 months) with scheduled deployments of up to eight months (versus six to seven months) is the optimal solution

to maximize operational availability while maintaining stability and predictability for maintenance and training. Beyond scheduling, the O-FRP increases cohesiveness and stability in the composition of the teams we prepare for deployment by keeping the same group of ships and aircraft squadrons together in a CSG through successive cycles of training and deployment. The O-FRP also takes actions to make maintenance planning more predictable and maintenance execution more timely and cost-effective. It takes parallel steps in training by closely aligning the many inspections and exercises that units must complete in a predictable, rationalized sequence.

Our PB-15 submission implements the O-FRP beginning in FY 2015 with the *Harry S. Truman* CSG, and will implement it in all other CSG and surface combatants as they prepare for and execute their next deployments. The O-FRP will subsequently be expanded to amphibious ships (ARG) and we are studying the desirability of expanding it to submarines and other unit types in the future.

Fleet Readiness. A central challenge in delivering the best Navy possible for the funds appropriated is properly balancing the cost of procuring force structure and capability with the cost of maintaining them at an appropriate level of readiness. When faced with a future of declining budgets, if we are returned to BCA revised caps funding levels in FY 2016 and beyond, we are forced to make difficult decisions. Unstable budget levels (due to continuing resolutions and sequestration) force reductions in maintenance and training. Over time, this begins to take an untenable toll on our enduring ability to deploy forces that are sufficiently ready to complete their missions with acceptable risk and the ability of our ships and aircraft to reach their expected service lives. We are mandated to fund readiness. In a declining budget, we must look at reducing recapitalization and modernization. This can also have the consequences, of falling behind competitors in terms of capability and relevance, or we risk having too few ships and aircraft to execute certain missions in the future. As a result, we balance force structure capacity and capability with readiness in any financial situation.

Despite the reduction in funding below levels planned in PB-14, PB-15 strikes this balance and the result is a program that delivers sufficient readiness to meet our GFMAP presence commitments and provide sufficient “surge” capacity for contingency response.

As part of our efforts to sustain fleet readiness, Navy continues to improve its maintenance practices for surface ships by increasing governance, transparency, and accountability. Over the last several years, these practices have enabled us to decrease the amount of backlogged ship maintenance caused by high operational tempo.

Going forward, PB-15 funds Navy's FY15 afloat readiness to the DOD guidelines and goals. As in previous years, a supplemental funding request will be submitted to address some deployed ship operations, flying, and maintenance requirements.

Readiness and Investment Ashore. To comply with fiscal constraints, we are compelled to continue accepting risk in shore infrastructure investment and operations. PB-15 prioritizes nuclear weapons support, base security, child development programs, and air and port operations. PB-15 funds facilities' sustainment to 70% of the DOD Facilities Sustainment Model, and prioritizes repair of critical operational facilities like piers and runways, renovation of inadequate barracks, and improving the energy efficiency of facilities. Less critical repairs to non-operational facilities will be deferred; however, this risk will compound over years and must eventually be addressed.

Depot Maintenance Infrastructure. Due to fiscal constraints, the Department of the Navy will not meet the mandated capital investment of 6% across all shipyards and depots described in 10 USC 2476 in FY 2015. The Navy projects an investment of 3.5% in FY 2015. PB-15 does, however, fund the most critical deficiencies related to productivity and safety at our Naval Shipyards. We will continue to aggressively pursue opportunities such as reprogramming or realignment of funds to find the appropriate funds to address this important requirement and mandate.

Base Realignment and Closure (BRAC). PB-15 continues to fund environmental restoration, caretaking, and property disposal at BRAC 2005 and prior-round BRAC installations. We meet the legal mandates at all levels from previous BRAC rounds.

### ***Health of the Force***

Compensation Reform and Quality of Service. PB-15 addresses readiness by applying an important concept: quality of service. Quality of service has two components: (1) quality of

work, and (2) quality of life. Both are intrinsically tied to readiness. At work, the Navy is committed to providing our Sailors a challenging, rewarding professional experience, underpinned by the tools and resources to do their jobs right. Our obligations don't stop at the bottom of the brow. We support our Navy Families with the proper quality of life in terms of compensation, professional and personal development, and stability (i.e., deployment predictability). Our Sailors are our most important asset and we must invest appropriately to keep a high caliber all-volunteer force.

Over the last several years, Congress has been generous in increasing our benefits and compensation by approving pay raises, expanding tax-free housing, increasing health care benefits for retirees, and enhancing the GI Bill. This level of compensation and benefits, while appropriate, is costly and will exceed what we can afford.

Personnel costs for military and civilian personnel make up about half of DOD's base budget—a share that continues to grow and force tradeoffs with other priorities. It is a strategic imperative to rein in this cost growth; therefore, we propose to slow rates of military pay raises, temporarily slow Basic Allowance for Housing growth, and reduce indirect subsidies provided to commissaries. Coupled with reductions in travel expenses, these reforms will generate \$123 million in Navy savings in FY 2015 and \$3.1 billion across the FYDP. None of these measures will reduce our Sailors' pay.

When my Senior Enlisted Advisor (the Master Chief Petty Officer of the Navy) and I visit Navy commands around the world, the message I get from our Sailors is that they want to serve in a force that is properly manned and one that provides them with the tools, training, and deployment predictability they need to do their jobs. Sailors tell us that these factors are as important as compensation and benefits. Any Navy savings from compensation reform, therefore, will be re-invested to quality of service enhancements that include:

- Increases in travel funding for training.
- Expansion of the Navy e-Learning online training system



- Improvement in training range and simulation capabilities, simulated small arms training, and other shore-based simulators and trainers for surface ship and submarine personnel.
- Additional aviation spare parts.
- Enhancements to aviation logistics and maintenance.
- Enhancements to surface ship depot maintenance.
- Increasing financial incentives for Sailors serving in operational capacities at sea.
- Increasing retention bonuses.
- Enhancing Base Operating Support (BOS) funding to improve base services for Sailors and their families.
- Restoring of \$70 million per year of funding for renovation of single Sailors' barracks that we were previously compelled to reduce due to fiscal constraints.
- Military construction projects for five barracks and a Reserve training center.
- Improving berthing barges in Yokosuka, Japan that house Sailors while forward based ships undergo depot maintenance.
- Increasing support to active commands by Selected Reserve (SELRES) personnel, thereby reducing workloads on active duty personnel.
- Implementing an information technology (IT) solution that enables Reserve personnel to remotely access Navy IT resources in support of mission objectives.
- Increasing funding for recapitalization projects at our flagship educational institutions.

For the same reasons we support reform of pay and other benefits, the Navy also supports DOD-wide proposals in PB-15 to reduce military health care costs by modernizing insurance options for dependents and retirees, and through modest fee and co-pay increases that encourage use of the most affordable means of care.

Enduring Programs. Along with the plans and programs described above, I remain focused on enduring challenges that relate to the safety, health, and well-being of our people. In June 2013, we established the Navy 21st Century Sailor Office (OPNAV N17), led by a flag officer, to integrate and synchronize our efforts to improve the readiness and resilience of Sailors and their Families. The most pressing and challenging problem that we are tackling in this area is sexual assault.

Sexual Assault. The Navy continues to pursue a deliberate strategy in combatting sexual assault. We continue to focus on preventing sexual assaults, supporting and advocating for victims, improving investigation programs and processes, and ensuring appropriate accountability. To assess effectiveness and better target our efforts, Navy's Sexual Assault Prevention and Response (SAPR) program is driven by a metrics-based strategic plan that focuses on care and support to victims, as well as individual, command and institutional efforts to prevent this destructive crime. We receive feedback directly from our Sailors through surveys, polls, and Fleet engagements, which steers our program and efforts. In FY13, more Sailors than ever came forward to report incidents, many of which occurred months or even years prior.

Sustaining a world-class response and victim advocacy system remains a top priority; preventing sexual assaults from occurring is an imperative. Our strategy focuses on creating a climate where behaviors and actions that may lead to sexual assault, as well as sexual assault itself, are not tolerated, condoned or ignored. This multi-faceted approach focuses on command climate; deterrence; and bystander intervention. To prevent more severe crimes in the continuum of harm, we are concentrating our leadership efforts on ending the sexist and destructive behaviors that lead up to them. Our metrics indicate that Sailors are reporting unacceptable behavior and that commands are taking it seriously.

We will continue to measure, through surveys and reports, prevalence data, command climate and perceptions of leadership support, investigation length, and victim experience with our response and investigative system. We also measure key statistics about the investigative and adjudication process itself, such as length of time from report to outcome, as we continue to ensure a balanced military justice system for all involved. These metrics will be utilized to

further improve and refine our prevention strategy, as well as inform a DOD-wide report to the President due in December 2014.

Every Sailor and Navy Civilian deserves to work in an environment of dignity, respect, and trust. We hold our leaders accountable for creating a command climate that promotes these basic principles and thereby reduces the likelihood of an environment where sexual harassment might occur. We are strengthening our sexual harassment prevention policy by separating it from Equal Opportunity and aligning it with previous SAPR policy amendments, which have resulted in increased trust in our system to report incidents.

When sexual assaults do occur, we ensure the victims' rights and preferences are respected throughout the investigative and disposition processes. In October 2013, we established the Victims' Legal Counsel (VLC) Program. The program is currently staffed by 25 Navy judge advocates acting as VLC, providing legal advice and representation to victims. The program will eventually expand to 29 VLC located on 23 different installations, and VLC services are already available to all eligible victims worldwide. Our VLC work to protect and preserve the rights and interests of sexual assault victims, and in the case of investigation and prosecution, to ensure victims understand the process, can exercise their rights, and are able to have a voice in the process.

However, work remains to be done. Despite 80% of Sailors reporting confidence in the Navy's response system to sexual assault and 86% agreeing that the Navy and their individual commands are taking actions to prevent sexual assault, nearly 50% cite "fear of public exposure" or "shame" as barriers to reporting. We continue to seek ways to overcome these perceived barriers.

We greatly appreciate Congress' interest and support in our efforts to combat sexual assault, particularly the measures contained in the NDAA for FY 2014. We are fully engaged in implementing the new requirements and we believe that given time to measure progress following full implementation, we will be able to better assess whether any additional legislative or policy measures are required. We remain committed to eradicating sexual assault within our ranks and ensuring that sexual assault cases are processed through a fair, effective, and efficient

military justice system. We must ensure that all changes to the system do not adversely impact the interests of justice, the rights of crime victims, or the due process rights of the accused.

Suicide. Another critical problem we are focused on is suicides. Suicides in the Navy declined last year by 28%, from 65 in 2012 to 47 in 2013. This is cautiously optimistic, but one suicide is still one too many. Preventing suicide is a command-led effort that leverages a comprehensive array of outreach and education. We cannot tell precisely what combination of factors compel an individual to contemplate suicide, so we address it by elevating our awareness and responsiveness to individuals we believe may be in trouble. For example, all Sailors learn about bystander intervention tool known as “A.C.T.” (Ask – Care – Treat) to identify and encourage at-risk shipmates to seek support. We also know that investing in the resilience of our people helps them deal with any challenge they may face.

Resilience. Our research shows that a Sailor’s ability to steadily build resilience is a key factor in navigating stressful situations. Education and prevention initiatives train Sailors to recognize operational stress early and to use tools to manage and reduce its effects. Our Operational Stress Control (OSC) program is the foundation of our efforts to teach Sailors to recognize stressors in their lives and mitigate them before they become crises. In the past year, we expanded our training capacity by 50% and increased OSC mobile training teams (MTT) from four to six. These MTT visit each command within six months of deployment and teach Sailors resiliency practices to better manage stress and avoid paths that lead to destructive behaviors.

In addition, we are strengthening support to Sailors who are deployed in unfamiliar surroundings. We have started a program to assign trained and certified professionals as Deployed Resiliency Counselors (DRC) to our largest ships, the CVN and LHA/D. DRC are credentialed clinical counselors that can assist or provide support to Sailors who are coping with or suffering from common life events, common life stressors, and discrete traumatic events that may include sexual assault. This initiative extends the reach of Navy’s resiliency programs to deployed commands and allows a “warm hand-off” to shore services when the Sailor returns to homeport.

Character Development. At all levels in the Navy, leadership, character, and integrity form the foundation of who we are and what we do. These bedrock principles are supported by our culture of accountability, command authority, and personal responsibility. Leadership failures and integrity shortfalls undermine our organization and erode public trust. We will continue to reinforce standards and hold those who violate the rules appropriately accountable.

One avenue by which we instill character and ethics in our leaders is by teaching ethics education and character development in the College of Operational and Strategic Leadership at the Naval War College. Building on this effort and other guidance to the force, in January 2013, I approved the *Navy Leader Development Strategy* to promote leader character development, emphasize ethics, and reinforce Navy Core Values. This strategy provides a common framework to develop Navy leaders at every stage of a Sailor's career. We are implementing an integrated framework through a career-long continuum that develops our leaders with the same attentiveness with which we develop our weapons systems. The focus on character development in our professional training continuum has increased, and we employ techniques such as "360 degree" assessments and peer mentoring to help young officers better prepare to be commanding officers. The *Navy Leader Development Strategy* reemphasizes and enhances the leadership, ethics, and professional qualities we desire in our force.

Family Readiness Programs. Family readiness is fully integrated into our Navy's call to be ready. The critical programs which support our families are also overseen by the policy and resourcing lens of our 21st Century Sailor Office. These programs and services assist Sailors and their families with adapting to and coping with the challenges of balancing military commitment with family life. Fleet and family support programs deliver services in four key areas: deployment readiness, crisis response, career support and retention, and sexual assault prevention and response.

This past year, our Family Advocacy program (FAP) has implemented the DoD Incident Determination Committee (IDC) & Clinical Case Staff Meeting (CCSM) model Navy-wide. This model ensures standardization and consistency in child abuse and domestic abuse decision-making. It also guarantees that only those with clinical expertise in child abuse and domestic abuse are involved in determining treatment plans.

Other career and retention support services include the family employment readiness program, personal financial management, and the legislatively mandated Transition Goals, Plan, Success program to assist separating Sailors. Increased stress and longer family separations have amplified program demand and underlined the importance of these support programs and services to ensure the psychological, emotional and financial well-being of returning warriors and their families. Financial issues are still the number one cause of security clearance revocation and our financial counselors have noted an increase in the number of Sailors entering the Service with debt, including student loan debt. We continually monitor the environment for predatory lending practices targeting Service Members and families.

Auditability. To be good stewards of the funding appropriated by Congress, effective internal controls over our business operations and auditability of our outlays is essential. It remains our goal to achieve full financial auditability by the end of FY 2017. Our near-term objective is to achieve audit readiness on the Department of the Navy's Schedule of Business Activity (SBA) in FY 2014, and thus far, eight of the ten components of Navy's SBA have been asserted as audit ready. In the area of property management, the Department has asserted audit readiness for seven of thirteen property subclasses, and four of those have been validated as audit ready. Continuing resolutions and sequestration in FY 2013 and FY 2014 have had no measurable impact on our ability to meet the FY 2014 SBA auditability mandate, but they have increased risk to our ability to meet the FY 2017 full financial auditability requirement.

### ***Conclusion***

We believe it is vital to have a predictable and stable budget to develop and execute an achievable program to conduct the ten primary missions outlined in the DSG, and support the pillars and "rebalance" called for in the QDR.

PB-15 proposes the best balance of Navy capabilities for the authorized amount of funding. It sustains sufficient afloat readiness in today's Navy but accepts more risk while building a future fleet that is able to conduct full-spectrum operations. I remain deeply concerned that returning to BCA revised caps spending levels in FY 2016 will lead to a Navy

that would be too small and lacking in the advanced and asymmetric capabilities needed to conduct the primary missions required by our current guidance: the updated DSG and the QDR.

**Chief of Naval Operations****9/23/2011 - Present****Admiral Jonathan W. Greenert**

Adm. Jonathan W. Greenert is a native of Butler, Pa. He graduated from the U.S. Naval Academy in 1975 and completed studies in nuclear power for service as a submarine officer.

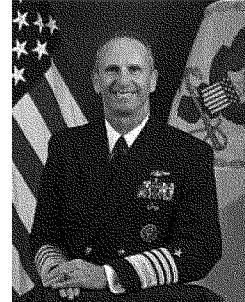
His career as a submariner includes assignments aboard USS *Flying Fish* (SSN 673), USS *Tautog* (SSN 639), Submarine NR-1 and USS *Michigan* (SSBN 727 - Gold Crew), culminating in command of USS *Honolulu* (SSN 718) from March 1991 to July 1993.

Subsequent fleet command assignments include Commander, Submarine Squadron 11; Commander, U.S. Naval Forces Marianas; Commander, U.S. 7th Fleet (August 2004 to September 2006); and, Commander, U.S. Fleet Forces Command (September 2007 to July 2009).

Greenert has served in various fleet support and financial management positions, including deputy chief of Naval Operations for Integration of Capabilities and Resources (N8); deputy commander, U.S. Pacific Fleet; chief of staff, U.S. 7th Fleet; head, Navy Programming Branch and director, Operations Division Navy Comptroller. Most recently he served as 36th vice chief of naval operations (August 2009 to August 2011).

He is a recipient of various personal and campaign awards including the Distinguished Service Medal (6 awards), Defense Superior Service Medal and Legion of Merit (4 awards). In 1992 he was awarded the Vice Admiral Stockdale Award for inspirational leadership. He considers those awards earned throughout his career associated with unit performance to be most satisfying and representative of naval service.

Greenert became the 30th Chief of Naval Operations Sep. 23, 2011.



*Updated: 23 September 2011*

---



125

Not public until released by the  
House Armed Services Committee

GENERAL JAMES F. AMOS  
COMMANDANT OF THE MARINE CORPS

2014 REPORT TO  
THE HOUSE ARMED SERVICES COMMITTEE  
ON  
THE POSTURE OF THE UNITED STATES MARINE CORPS  
March 12, 2014

Not public until released by the  
House Armed Services Committee

## **I. America's Crisis Response Force**

The United States Marine Corps is the nation's crisis response force. Since our founding in 1775, Marines have answered the nation's call, faithfully protecting the American people and maintaining a world-class standard of military excellence. Today we are at a strategic inflection point. Fiscal uncertainty has threatened both our capacity and capabilities, forcing us to sacrifice our long-term health for near-term readiness. Despite these fiscal challenges, we remain committed to fielding the most ready Marine Corps the nation can afford. Around the globe Marines stand ready to engage America's adversaries or respond to any emerging crisis. Thanks to the support of Congress, the American people will always be able to count on the Marine Corps to fight and win our nation's battles.

America is a maritime nation: its security, resilience, and economic prosperity are fundamentally linked to the world's oceans. Our naval forces serve to deter and defeat adversaries, strengthen alliances, deny enemies sanctuary, and project global influence. The amphibious and expeditionary components of our naval force allow us to operate with assurance in the world's littoral areas. The Marine Corps and the Navy are prepared to arrive swiftly from the sea and project influence and power when needed. Operating from the sea, we impose significantly less political burden on our partners and allies, while providing options to our nation's leaders. We remain committed to the mission of assuring access for our nation's forces and its partners.

Forward deployed naval forces enable our nation to rapidly respond to crises throughout the world. The ability to engage with partnered nations, through highly trained and self-sustaining forces, maximizes America's effectiveness as a military power. For approximately eight percent of the Department of Defense's (DoD's) budget, the Marines Corps provides an affordable insurance policy for the American people and a highly efficient and effective hedge against global and regional tensions that cause instability. We provide our nation's leaders with time and decision space by responding to today's crisis, with today's forces...TODAY.

### **Naval Character**

We share a rich heritage and maintain a strong partnership with the United States Navy. Together we provide a fundamental pillar of our nation's power and security – the ability to operate freely across the seas. Security is the foundation of our nation's ability to maintain access to foreign markets and grow our economy through trade around the world. The Navy-Marine Corps relationship has never been better; we will continue to advance our shared vision as our nation transitions from protracted wars ashore and returns its focus to the maritime domain.

Throughout more than a decade of sustained operations ashore in Iraq, Afghanistan, and elsewhere, we continued to deploy thousands of Marines aboard amphibious warships around the globe. The Navy and Marine Corps remains postured to provide persistent presence and engagement, maintaining a constant watch for conflict and regional unrest. Well-trained Marine units embarked aboard U.S. Navy warships increase the nation's ability to deter and defend against emerging threats. Our adaptability and flexibility provide unmatched capabilities to combatant commanders.

#### **Unique Roles and Missions**

The Marine Corps provides unique, sea-based capabilities to the joint force. Our forward deployed amphibious based Marines have long played a critical role across the full range of military operations. We assure littoral access and enable the introduction of capabilities provided by other military services, government agencies, nongovernmental organizations, allies, and international partners. The stability and vitality of the global economic system is dependent on this capability, especially where our nation's vital interests are challenged.

The Marine Corps provides operating forces that are a balanced air-ground-logistics team. They are responsive, scalable and self-sustaining. As our nation's middle-weight force, we must maintain a high state of readiness, able to respond wherever and whenever the nation requires. Crisis response requires the ability to expand the expeditionary force after its introduction in theater. The Marine Air-Ground Task Force (MAGTF) modular structure lends itself to rapidly right sizing the force as the situation demands, to include a joint or combined force.

## **II. Our Commitment to the Nation's Defense**

#### **Global Crisis Response**

At our core, the Marine Corps is the Nation's crisis response force and fulfilling this role is our top priority. We have earned a reputation as the nation's most forward deployed, ready, and flexible force. Our performance over the past decade underscores the fact that responsiveness and versatility are always in demand. Marines formed the leading edge of the U.S. humanitarian response to earthquakes in Pakistan and Haiti, and disasters in the Philippines and Japan, all while fully committed to combat operations in Iraq or Afghanistan.

During 2013, four Marine Expeditionary Units (MEUs) and their partnered Amphibious Ready Groups (ARGs) participated in overseas operations and exercises. These forward deployed amphibious forces – normally built around a three-ship amphibious squadron with 2,200 embarked Marines – provided a uniquely trained and integrated task force, postured to

immediately respond to emerging crises. The Marine Corps has placed increased emphasis over the past several years partnering with coalition nations. Through security cooperation activities we advance mutual strategic goals by building capacity, deterring threats, and enhancing our crisis response capabilities. Throughout the year, ARG-MEUs strengthened our relationships through major exercises and operations with partnered nations which include Saudi Arabia, Kuwait, United Arab Emirates, Jordan, Egypt, Qatar, Oman, India, Thailand, Australia, Japan and the Philippines.

**Super Typhoon Haiyan:** Typhoon Haiyan struck the Philippines on November 7, 2013 with winds gusting up to 195 mph, the fourth highest ever recorded. Even before the storm reached landfall, Marines and Sailors forward-based in Okinawa were preparing to respond. After returning to home port, elements of the 31st MEU embarked aboard USS *Germantown* and USS *Ashland* to support Typhoon Haiyan Humanitarian Assistance/Disaster Relief operations in the Philippines. Within eight hours, Marine Forces forward based in the Pacific Theater provided the initial humanitarian response. This effort was followed by a Marine Corps led Joint Task Force, to include Marine MV-22 and KC-130J aircraft that flew 1,205 sorties (totaling more than 2,500 flight hours), delivered more than 2,005 tons of relief supplies and evacuated 18,767 Philipinos, 540 American citizens and 301 third country nationals. These efforts were closely coordinated on scene with the US Agency for International Development's office of Foreign Disaster Assistance. With the long-standing partnership and trust built between our two nations, Marines were able to rapidly respond with critically needed capabilities and supplies in times of crisis. This operation underscores the point, that trust is established and nurtured through forward presence...trust cannot be surged.

**Special Purpose Marine Air-Ground Task Force-Crisis Response (SP-MAGTF CR):**

Forward positioned in Spain, SP-MAGTF-CR Marines are trained and equipped to support a wide range of operations. This unit is unique amongst other crisis response forces because it possesses an organic aviation capability that allows for SP-MAGTF CR to self-deploy. This force is primarily designed to support U.S. and partner security interests throughout the CENTCOM and AFRICOM theaters of operation, to include embassy reinforcement, non-combatant evacuation operations, and tactical recovery of aircraft and personnel. The MV-22's unprecedented agility and operational reach enable the SP-MAGTF-CR to influence these theaters of operation in a matter of hours. In 2013, SP-MAGTF-CR collaborated with local authorities to establish a presence that could rapidly respond to the full spectrum of contingencies within AFRICOM's AOR. SP-MAGTF-CR is also involved in bilateral and multilateral training exercises with regional partners in Europe and Africa.

Late last year, we witnessed the security situation deteriorate within **South Sudan**. Weeks of internal violence threatened to erupt into a civil war as populations were being driven from their homes. On short notice, 150 Marines from the SP-MAGTF-CR flew aboard MV-22

Ospreys over 3,400 miles non-stop to stage for future operations at Camp Lemonier, Djibouti on the Horn of Africa. The next day, Marines flew to Uganda to prepare for a potential non-combatant evacuation operation and to bolster our East Africa Response Force. In January, Marines aboard two KC-130J Hercules aircraft evacuated U.S. embassy personnel from harm's way.

### **Afghanistan**

Marines have been continuously at war in Afghanistan since 2001. In the past year, we have transitioned from counter-insurgency operations to training, advising, and assisting the Afghan National Security Forces (ANSF). With expanding capabilities and increased confidence, the ANSF is firmly in the lead for security in support of the Government of the Islamic Republic of Afghanistan throughout all of Helmand and Nimroz Provinces.

Today, more than 4,000 active and reserve Marines are forward deployed in Regional Command South West (RC (SW)) and in full support of the Afghan National Police (ANP), and Afghan National Army (ANA). In 2013, we reduced our coalition force advisory teams from 43 to 15, and we shifted our emphasis from tactical operations to Brigade-level planning, supply chain management, infrastructure management, and healthcare development. In January 2013, there were over 60 ISAF (principally US, UK, and Georgian) bases in RC (SW). Today only seven remain. In addition, we removed permanent coalition presence in 7 of 12 districts with Marine forces located only in one remaining district center.

Afghan district community councils currently operate in seven Helmand districts which represent 80 percent of the population. As a result, health and education services have markedly improved. With the presidential election approaching in April 2014, we are expecting a higher turnout than the previous presidential elections due to the population's increased understanding of the electoral process. Currently, there are 214 planned polling stations in Helmand Province. The upcoming election will be conducted with limited International Security Assistance Force (ISAF) military assistance.

### **Asia-Pacific Rebalance**

As our nation continues to shift its strategic focus to the Asia-Pacific, it is important to note that the Marine Corps – specifically, III Marine Expeditionary Force (III MEF) – has been forward based there since the 1940s. Marines have a long history in the Pacific, replete with many hard-won victories. We are ideally suited to operate within this maritime region and we are adjusting our force lay-down to support the President's Strategic Guidance for the Department of Defense issued in January 2012. We remain on course to have 22,500 Marines

west of the International Date Line – forward based and operating within the Asia-Pacific theater.

We have the experience, capabilities, and most importantly, the strategic relationships already in place within the region to facilitate the national security strategy. Marines forward deployed and based in the Asia-Pacific Theater conduct more than 70 exercises a year, all designed to increase interoperability with our regional partners, build theater security cooperation, and enhance prosperity and stability in this region. By strategically locating our forces across the region, we enable more active participation in cooperative security and prosperity. No forces are more suited to the Pacific than naval amphibious forces. We envision an Asia-Pacific region where our Marines' presence will continue to build upon the excellent cooperation with our regional partners and allies to advance our common interests and common values.

#### **Security Cooperation**

The Marine Corps supports all six Geographic Combatant Commands (GCC) with task-organized forces of Marines who conduct hundreds of Theater Security Cooperation (TSC) activities with the armed forces of more than 50 partner nations each year. Per the Defense Strategic Guidance, our forward-engaged Marines conducted TSC with a focus on building partner capacity, amphibious capability, interoperability for coalition operations, and assured access for U.S. forces. Overall, the Marine Corps participated in over 200 security cooperation engagements in 2013, including TSC exercises, bilateral exercises, and military-to-military engagements.

In September 2013, the Commandant of the Marine Corps, Chief of Naval Operations, and Commandant of the Coast Guard signed the Maritime Security Cooperation Policy (MSCP). This tri-service policy prescribes a planning framework for Marine Corps, Navy, and Coast Guard headquarters, regional components, and force providers with the goal of achieving an integrated maritime approach to security cooperation in support of national security objectives.

**Black Sea Rotational Force (BSRF):** Forward postured in Romania, the BSRF engages partner nations and operates in multiple countries throughout the Black Sea-Eurasia region. Engagements included peacekeeping operations training events, technical skills familiarization events, and various professional symposia throughout the Caucasus region.

**SP-MAGTF-Africa 13 (SP-MAGTF-AF):** As a sub-component of SP-MAGTF-CR, SP-MAGTF-Africa 13 is forward based in Italy, consisting of a company-sized Marine element that engages with partnered countries in Africa. SP-MAGTF-AF 13 focused on training African troops primarily in Burundi and Uganda, bolstered militaries attempting to counter groups

affiliated with al-Qaeda operating across the Maghreb region, and provided security force assistance in support of directed Africa Union Mission in Somalia (AMISOM).

**Marine Rotational Force – Darwin (MRF-D):** In 2013, a company sized element of MRF-D Marines deployed to support PACOM requirements and emphasize the U.S. commitment to the Asia-Pacific region. During their stay in Darwin, Marines conducted bilateral training with the Australian Defense Forces. In conjunction with the 31st Marine Expeditionary Unit – from August through September 2013 – MRF-D supported the bilateral Exercise KOOLENDONG at the Bradshaw Field Training Area in Australia to serve as a proof of concept in preparation for the expected arrival of 1150 Marines in 2014. This next deployment — the first step of Phase II, expands the rotational force from company to battalion sized rotational units. The intent in the coming years is to establish a rotational presence of a Marine Air-Ground Task Force of up to 2,500 Marines. The presence of Marines in Australia reflects the enduring alliance and common security interests in the region and improves interoperability between the United States and Australia

### **III. Fiscal Year 2015 Budget Priorities**

For FY15, the President’s Budget provides \$22.8 billion in our baseline budget, down from our FY14 budget of \$24.2 billion. This budget has been prioritized to support a highly ready and capable Marine Corps focused on crisis response. The capabilities we prioritized in this year’s budget submission protect near-term readiness while addressing some shortfalls in facility sustainment, military construction, equipment recapitalization and modernization. The Marine Corps budget priorities for 2015 include:

**Amphibious Combat Vehicle:** The development and procurement of the Amphibious Combat Vehicle (ACV) is my top acquisition priority. The modern battlefield requires both highly mobile and armor-protected infantry forces. The ACV will be designed to provide the capabilities required to meet current and future amphibious operations. This program is critical to our ability to conduct surface littoral maneuver and project Marine units from sea to land in any environment; permissive, uncertain, or hostile. The Marine Corps requires a modern, self-deployable, survivable, and affordable amphibious vehicle as a once-in-a-generation replacement for the existing Amphibious Assault Vehicles, which have been in service for more than 40 years.

**Marine Aviation:** The Marine Corps continues to progress towards a successful transition from 13 types of aircraft to six. This transformation of our aviation combat element will provide the Marine Corps and the future naval force with highly advanced fixed-wing, tilt-rotor, and rotary-wing platforms capable of operating across the full spectrum of combat operations. As the Marine Corps moves towards a future battlefield that is digitally advanced

and connected, the F-35B/C Joint Strike Fighter's (JSF) fifth-generation capabilities will enable the collection, fusion, and dissemination of information to all elements of the MAGTF. Additionally, MV-22 Osprey vertical flight capabilities coupled with the speed, range, and endurance of fixed-wing transports, are enabling effective execution of current missions that were previously unachievable on legacy platforms.

Modernization and sustainment initiatives are required to enhance the capabilities of Marine Aviation's legacy platforms to maintain warfighting relevance. Specifically, modernization and relevancy of F/A-18A-D Hornet and AV-8B Harrier aircraft are vital as the Marine Corps completes the transition to the F-35B Short Take-Off and Vertical Landing (STOVL) JSF in 2030. The F-35B is critical to our ability to conduct future combined arms operations in expeditionary environments.

**Resetting our Ground Equipment:** We have made significant strides in resetting our equipment after 12 years of wartime wear and tear. We are executing a reset strategy that emphasizes both our commitment to the American taxpayer and the critical linkage of balancing reset and readiness levels. Over 75 percent of the Marine Corps equipment and supplies in RC (SW) have been retrograded. The Marine Corps requires continued funding to complete the reset of equipment still being utilized overseas, to reconstitute home station equipment, and to modernize the force.

The current rate of equipment returning from theater will allow the Corps to reset our ground equipment by 2017, but this will require the continued availability of Overseas Contingency Operations funding for FY15 through FY17 to support our planned schedule of depot level maintenance. We are not asking for everything we want; only what we need. We have consciously chosen to delay elements of modernization to preserve current readiness. These short term solutions cannot be sustained indefinitely without cost to our future capabilities.

**Joint Light Tactical Vehicle (JLTV):** We remain firmly partnered with the U.S. Army in fielding a Joint Light Tactical Vehicle that lives up to its name, while also being affordable. The JLTV is needed to provide the Marine Corps with modern, expeditionary, light-combat and tactical mobility while increasing the protection of our light vehicle fleet. By replacing only a portion of our High Mobility Multipurpose-Wheeled Vehicle (HMMWV) fleet, the JLTV will help to preserve our expeditionary capability with a modern level of protected mobility.

**Military Construction (MILCON):** For Fiscal Year (FY) 2015, the Marine Corps is requesting \$331 million for MILCON programs to support warfighting and critical infrastructure improvements. This FY15 budget represents a 61 percent funding level decrease from our FY14 request of \$842 million and a significant decrease from the Marine Corps' previous six year average. Our primary focus is toward the construction of Joint Strike Fighter (F-35B) and



Osprey (MV-22) facilities that support unit relocations to Hawaii and Japan. We have prioritized environmental and safety corrections such as water plant improvements and emergency communication capabilities. Funding is also included for the continued consolidation of the Marine Corps Security Force Regiment and its Fleet Antiterrorism Security Teams from the Norfolk area to Yorktown, Virginia. Finally, we are providing funding to continue the renovation, repairs and modernization of junior enlisted family housing units located in Iwakuni, Japan.

#### **Readiness and Risk in the FY15 Budget**

The Marine Corps remains committed to building the most ready force our nation can afford, but this comes at a risk. As our nation continues to face fiscal uncertainty, the Marine Corps is responsibly building a relevant and lean force for the 21st century. The emerging security threats to our Nation demand that America has a globally responsive, truly expeditionary, consistently ready, maritime crisis response force.

While today's fiscal constraints may make us a leaner force, we are committed to maintaining our readiness – the real measure of our ability to meet unforeseen threats. Our innovative spirit, strong leadership, and enduring stewardship of the Nation's resources will guide our modernization efforts. We will invest in our Marines as they are the foundation of the Marine Corps. We will continue to reset our warfighting equipment and reconstitute our force after more than a decade of combat operations. We will maintain our investments in the research and development of new equipment and technologies that ensure our nation's crisis response force remains relevant and ready well into the 21st century.

In a fiscally constrained environment, it is critical that we maximize every taxpayer dollar entrusted to the Marine Corps. Our ability to efficiently manage our budget is directly related to our ability to properly account for every dollar. To that end, for the first time, the Marine Corps achieved an "unqualified" audit opinion from the DoD Inspector General. We became the first military service to receive a clean audit, which provides us with the ability to have a repeatable and defensible process to track, evaluate and certify each dollar we receive. We are particularly pleased that this audit will give the American people confidence in how the Marine Corps spends taxpayer money.

As fiscal realities shrink the Department of Defense's budget, the Marine Corps has forgone some important investments to maintain near-term readiness. To protect near-term readiness, we are taking risks in our infrastructure sustainment and reducing our modernization efforts. These trades cannot be sustained long term and portend future increased costs. As America's crisis response force, however, your Corps does not have a choice. We are required to maintain a posture that facilitates our ability to deploy today. As we continue to face the

possibility of further budget reductions under sequestration, we will be forced into adopting some variation of a less ready, tiered status, within the next few years.

As we enter into FY15 and beyond, we are making necessary trade-offs to protect near-term readiness, but this comes at a risk. Today, more than 60 percent of our non-deployed units are experiencing degraded readiness in their ability to execute core missions. Approximately 65 percent of non-deployed units have equipment shortfalls and 35 percent are experiencing personnel shortfalls necessitated by the effort to ensure that forward deployed units are 100 percent manned and equipped. The primary concern with out-of-balance readiness of our non-deployed operating forces is an increased risk in the timely response to unexpected crises or large-scale contingencies. The small size of the Marine Corps dictates that even non-deployed units must remain ready to respond at all times as they are often the nation's go-to forces when unforeseen crises occur.

The risk to the nation is too great to allow the readiness of the Marine Corps to be degraded. Through Congressional support we will continue to monitor our *Five Pillars of Readiness*: High Quality People, Unit Readiness, Capability and Capacity to Meet the Combatant Command Requirements, Infrastructure Sustainment, and Equipment Modernization. Our current funding levels protect current readiness; however, it does so at the expense of the infrastructure sustainment and equipment modernization efforts, which are keys to protecting future readiness. This is a rational choice given the current fiscal situation, but it is not sustainable over time. Ignoring any of these areas for long periods will hollow the force and create unacceptable risk for our national defense.

#### **IV. Shared Naval Investments**

Naval forces control the seas and use that control to project power ashore. The fiscal and security challenges we face demand a seamless and fully integrated Navy-Marine Corps team. Achieving our shared vision of the future naval force requires strong cooperation. Now more than ever, the Navy-Marine team must integrate our capabilities to effectively protect our nation's interests.

**Amphibious Warships:** The force structure to support the deployment and employment of two Marine Expeditionary Brigades (MEBs) simultaneously is 38 amphibious warfare ships. However, considering fiscal constraints, the Navy and Marine Corps have agreed to sustain a minimum of 33 amphibious warfare ships. The 33-ship force accepts risk in the arrival of combat support and combat service support elements of a Marine Expeditionary Brigade (MEB), as well as meeting the needs of the naval force within today's fiscal limitations.

The LX (R) program is the next major amphibious ship investment necessary to replace our aging fleet of LSDs. As we move forward with this program we should take advantage of the knowledge developed in building the LPD 17 class of ship. It is imperative that this is a warship capable of delivering Marines to an objective in a non-permissive environment. Replacing the LSD with a more capable platform with increased capacity for command and control, aviation operations and maintenance, vehicle storage, and potential for independent operations gives the Geographic Combatant Commander a powerful and versatile tool, and permit independent steaming operations.

**Maritime Prepositioning Force (MPF):** The second method of deployment for the Marine Expeditionary Brigade is the MPF, which combines the speed of strategic airlift with the high embarkation capacity of strategic sealift. The two remaining Maritime Prepositioning Ship Squadrons (MPSRONs), each designed to facilitate the deployment of one MEB, carry essential combat equipment and supplies to initiate and sustain MEB operations for up to 30 days. With the introduction of the seabasing enabling module, which includes Large Medium Speed Roll-On/Roll-Off (LMSR) vessels, Dry Cargo and Ammunition ships (T-AKE) and Mobile Landing Platforms (MLP), MPSRON-supported forces will have enhanced capability to operate from a seabase.

**Ship-to-Shore Connectors:** Ship-to-shore connectors move personnel, equipment and supplies, maneuvering from a seabase to the shoreline. These are critical enablers for any seabased force. Modern aerial connectors, such as the MV-22 Osprey extend the operational reach of the seabased force and have revolutionized our ability to operate from the sea. The Navy is in the process of modernizing the surface connector fleet by replacing the aging Landing Craft Air Cushion (LCAC) and the 50-year-old fleet of Landing Craft Utility (LCU). Continued funding of the maintenance and extended service life programs of our existing fleet of connectors as well as investment in recapitalization of the surface connector capability through procurement of the Ship-to-Shore Connector (SSC) and Surface Connector will be critical for future security environments. We need to continue to push science and technology envelopes to develop the next generation of connectors.

## **V. Our Vision: Redesigning the Marine Corps**

As we drawdown the Marine Corps' active component end strength from war time levels of 202,000 Marines, we have taken deliberate steps to construct a force that we can afford to operate and sustain in the emerging fiscal environment. Over the past three years, we have undertaken a series of steps to build our current force plan. In 2010, our Force Structure Review Group utilized the Defense Strategic Guidance and operational plans to determine that the optimum size of the active component Marine Corps should be a force of 186,800. Under the

constraints of the 2011 Budget Control Act and the 2012 Defense Strategic Guidance, we estimated that a force of 182,100 active component Marines could still be afforded with reduced modernization and infrastructure support. More recently, as we entered into the Quadrennial Defense Review (QDR), we came to the difficult conclusion that, under the threat of continued sequestration or some variant, an active duty force of 175,000 Marines (175K) is what our nation can afford, along with very steep cuts to USMC modernization accounts and infrastructure. This significantly reduced force is a “redesigned” Marine Corps capable of meeting steady state requirements. We will still be able to deter or defeat aggression in one region, however with significant strain on the force and increased risk to mission accomplishment.

The redesigned force is built to operate using the familiar Marine Air-Ground Task Force-construct, but it places greater emphasis on the ‘middleweight’ Marine Expeditionary Brigades by establishing standing MEB Headquarters. These MEB Headquarters will be prepared to serve as a ready crisis response general officer-level command element for the joint force. The redesigned force will deploy Special Purpose Marine Air Ground Task Forces (SPMAGTF) and Marine Expeditionary Units (MEU) to provide combatant commanders ready forces for a broad range of missions from forward presence to crisis response.

Maintaining a high state of readiness within the current and near-term fiscal climate will be challenging for Marines and their equipment. For example, the desired 186.8K force supported a 1:3 deployment-to-dwell ratio to meet emerging steady state demands. A redesigned force of 175K reduces that to a 1:2 dwell ratio for our operational units during a peacetime environment. This 1:2 ratio is the same operational tempo we have operated with during much of the past decade while engaged in combat and stability operations in Iraq and Afghanistan.

The redesigned force size implements the Strategic Choices Management Review (SCMR) directed 20 percent headquarters reduction, and it includes the elimination of one 3-star Marine Expeditionary Force Headquarters. Our ground forces will be reduced by one Regimental Headquarters and eight battalions (six infantry, two artillery), as well as a reduction of an additional 27 companies or batteries. Our aviation forces will be reduced by three Group Headquarters and 13 squadrons. Our logistics forces will be reduced by 3,294 Marines (14 percent) and one battalion while conducting an extensive reorganization to gain efficiencies from reduced combat service support resources. In ground force terms, our aggregate cuts across the force comprise a reduction in nearly a Marine Division’s worth of combat power.

The redesigned force will retain the ability to generate seven rotational MEUs, with the capacity to deploy one from the East Coast, one from the West Coast, and one from Okinawa every 6 months. New Special Purpose MAGTF (SP-MAGTF) force structure responds to greater demand for multi-role crisis response forces in several Geographic Combatant Commands under the so-called “New Normal” security environment.

In support of the rebalance to the Pacific, we prioritized our Pacific theater forces and activities in the new force structure. Despite end strength reductions, III Marine Expeditionary Force – our primary force in the Pacific – remains virtually untouched. We also restored Pacific efforts that were gapped during Operation Enduring Freedom, including multiple exercises and large parts of the Unit Deployment Program. A rotational presence in Darwin, Australia also expands engagement opportunities and deterrence effects.

In support of CYBERCOM and in recognition of the importance of cyberspace as a warfighting domain, we are growing our cyberspace operations forces organized into a total of 13 teams by the end of 2016. The teams will provide capabilities to help defend the nation from cyber-attack, provide support to Combatant Commanders, and will bolster the defenses of DoD information networks and the Marine Corps Enterprise network.

Lastly, the Marine Corps remains fully committed to improving embassy security by adding approximately 1,000 **Marine Corps Embassy Security Guards** (MCESG) as requested by Congress. The redesigned force structure consists of the Marines necessary to maintain our steady-state deployments and crisis-response capabilities in the operating forces as well as the additional Marines for MCESG. We have absorbed new mission requirements while reducing our overall force size.

#### **Expeditionary Force 21**

Expeditionary Force 21 (EF 21) is the Marine Corps' capstone concept that establishes our vision and goals for the next 10 years and provides a plan for guiding the design and development of the future force. One third of the Marine Corps operating forces will be forward postured. These forces will be task-organized into a greater variety of formations, capable of operating from a more diverse array of ships dispersed over wider areas, in order to meet the Combatant Commanders' security cooperation and partner engagement requirements. In the event of crises, we will be able to composite these distributed formations into larger, cohesive naval formations.

Expeditionary Force 21 will inform future decisions regarding how we will adjust our organizational structure to exploit the value of regionally focused forces. A fixed geographic orientation will facilitate Marine Commanders and their staffs with more frequent interactions with theater- and component-level organizations, establishing professional bonds and a shared sense of the area's challenges and opportunities.

Expeditionary Force 21 provides the basis for future Navy and Marine Corps capability development to meet the challenges of the 21st Century. The vision for Expeditionary Force 21 is to provide guidance for how the Marine Corps will be postured, organized, trained, and

equipped to fulfill the responsibilities and missions required around the world. Through Expeditionary Force 21 we intend to operate from the sea and provide the right sized force in the right place, at the right time.

## **VI. The Reawakening**

As we drawdown our force and focus the Marine Corps toward the future, we see an opportunity to re-set our warfighting institution and foster a *Reawakening* within our Corps. For the past 12 years of war, Marines have performed heroically on the battlefield. In Iraq and Afghanistan, Marines have carried on the Corps' legacy of warfighting prowess, and every Marine should be proud of that accomplishment. But as the preponderance of our Marine forces return from Afghanistan and we are focusing our efforts on the foundations of discipline, faithfulness, self-excellence and concerned leadership that have made us our Nation's premier, professional fighting force. This is the time to reset and prepare for future battles.

### **Focus on Values**

There is no higher honor, nor more sacred responsibility, than becoming a United States Marine. Our record of accomplishment over a decade of conflict will be in vain if we do not adhere to our core values. Our time honored tradition and culture bears witness to the legions of Marines who have gone before and who have kept our honor clean. Marine Corps leadership has long recognized that when resetting the force following sustained combat, Marines must embrace change. We are mindful of the many challenges that lie ahead; there is much work left to be done.

Our purposeful and broad-range efforts to reset the Corps have to be successful. We must retain our focused observance to the basic principles and values of our Corps. We refer to them as the soul of our Corps. As such, all Marines are rededicating themselves to *persistent discipline; faithful obedience to orders and instructions; concerned and engaged leadership; and strict adherence to standards*. These iron-clad imperatives have defined our Corps for 238 years. As we reset and *Reawaken* the Corps, our focus on the individual soul of the Corps is crucial.

The Marine Corps is fully committed to improve diversity and opportunity for the men and women who wear our uniform and we are actively seeking innovative solutions to improve our Corps. Over the last year, I have personally sought out successful women leaders in the corporate sector to help us better understand how they are achieving success in the areas of diversity, inclusion and integration of women in the workplace. This has paid immeasurable dividends, as we have gained a better appreciation for the dynamics on how to address and positively affect culture change within our ranks.

### **Marine Corps Force Integration**

The Marine Corps continues its deliberate, measured, and responsible approach to researching, setting conditions, and integrating female Marines in ground combat arms Military Occupational Specialties (MOS) and units. We welcome the chance to broaden career opportunities for all Marines that the Secretary of Defense's overturning of the Direct Ground Combat Assignment Rule offers us. Beginning in 2012, we assigned qualified female Marine officers and Staff Non-Commissioned Officers (SNCO) to 21 previously closed combat arms battalions in the assault amphibian, tank, artillery, low-altitude air defense and combat engineer fields. Since the elimination of the assignment policy restriction last year, we began conducting infantry-specific research by providing an opportunity for female officer volunteers to attend the Infantry Officer Course (IOC) following completion of initial officer training at The Basic School.

In 2013, we continued this infantry-specific research by providing an opportunity for enlisted female Marine volunteers to attend the Infantry Training Battalion (ITB) following graduation from recruit training. As a result of these assignment and early training assessments, the Marine Corps currently offers opportunities to female Marines in 39 of 42 occupational fields representing over 90 percent of our primary individual MOSs and in more than 141,000 positions world-wide. Know that your Marine Corps will continue to maintain high levels of combat readiness, while integrating female Marines into previously closed occupational fields and units to the maximum extent possible. We will continue to conduct the research and assessment of these integration efforts to ensure all Marines are provided an equitable opportunity for success in their chosen career path.

### **Sexual Assault Prevention and Response**

Sexual assault is criminal behavior that has no place in our Corps; we are aggressively taking steps to eradicate it. Over the past two years, we have tackled the sexual assault problem head on and have seen measurable improvements in three specific areas – prevention, reporting, and offender accountability.

The Marine Corps continues to implement its Sexual Assault Prevention and Response Campaign Plan. Launched in June 2012, the SAPR Campaign Plan called for large-scale institutional reforms, to include the implementation of SAPR training programs on an unprecedented scale and frequency. This includes the continued refinement of prevention training Corps-wide, while strengthening capabilities for victim care, offender accountability, and program assessment. Our reforms have yielded many positive results that affect Marines on an individual level, while steadily transforming the Corps into a leading institution in both

preventing and responding to this crime. The most promising result of the Campaign Plan thus far has been the continued rise in reporting.

In FY13, reports of sexual assault in the Marine Corps increased by 86 percent continuing a trend started in FY12, which saw a 31 percent reporting increase. In addition, 20 percent of all FY13 reports were made for incidents that occurred prior to the victim joining the Corps; 17 percent were made for incidents that took place over one year ago. With sexual assault being a historically under-reported crime, we believe that these trends speak directly to the trust and confidence that Marines have in their immediate commanders and the overall Marine Corps' program. These encouraging developments suggest that our efforts are working to increase awareness of SAPR resources and to establish a healthy environment of respect and dignity where victims feel confident in coming forward.

With this increased sexual assault reporting, I anticipated an increased demand within the military justice system. Consistent with this prediction, between FY12 and FY13, the number of child and adult sex offense prosecutions increased from 59 to 119. The number of those cases that were contested increased by over 160 percent. These numbers reinforce the need to continue building and manning a first-rate legal practice in the Marine Corps, comprised of quality judge advocates and legal service specialists, that anticipates and adapts to evolving legal challenges.

In 2012, I restructured the model for the delivery of legal services in the Marine Corps in order to elevate the practice of law and better handle complex cases, such as sexual assaults. This new model does two key things: (1) it centralizes supervision of the military law practice; and (2) it puts more competent and experienced attorneys in charge of the military justice system. Without question, the restructuring of our legal community dramatically improved our performance in prosecuting, defending, and judging sexual assault and other complex trials. I am committed to reinforcing the success gained by this reorganization.

We are continuing to evaluate and assess the new demands placed on our military justice system and our legal community. These include the creation and expansion of the Victims' Legal Counsel Organization (VLCO) and the extension of the requirement to provide military justice experts to the Office of Military Commissions (OMC). To meet these increasing demands and new legislative initiatives affecting our justice system, I have directed an internal review of our retention and assignment policies to ensure we can continue to operate a first class military justice system. This review will have two goals. In the short term, we must ensure we have a sufficient number of qualified judge advocates to confront the immediate requirements. In the long term, we must ensure that judge advocates serve in assignments that will maximize their military justice expertise, while maintaining their credibility and skills as unrestricted Marine Officers, to include operational law and traditional Marine Corps leadership assignments.

#### **Recruiting and Retaining High Quality People**



We make Marines, win battles, and return quality citizens back to their homes across America, citizens who, once transformed, will be Marines for life. Your Corps must be comprised of the best and brightest of America's youth. To operate and succeed in volatile and complex environments, Marines must be physically fit, morally strong, and possess the intelligence required to make good decisions and operate advanced weapon systems. It is a complex and ever-evolving profession.

The Marine Corps utilizes a variety of officer and enlisted recruiting processes that stress high mental, moral, and physical standards. Additionally, all processes are continuously evaluated and improved to ensure that recruits meet or exceed the highest standards possible. Retaining the best and most qualified Marines is accomplished through a competitive career designation process for officers, and a thorough evaluation process for enlisted Marines, both of which are designed to measure, analyze, and compare our Marines' performance, leadership and accomplishments.

#### **Civilian Marines**

Our civilian Marines serve alongside our Marines all around the world. Our civilian Marine workforce remains the leanest of all services with a ratio of one civilian to every ten active duty Marines (1:10). Additionally, our civilian labor represents less than five percent of the Marine Corps' total Operations and Maintenance (O&M) budget. More than 95 percent of our civilians are located outside the Pentagon at our bases, stations, depots and installations. Civilian Marines provide stability in our training and programs when our Marines rotate between units, demonstrating that our "best value" for the defense dollar applies to the total force.

The Marine Corps supports measures that enhance consistency, efficiency and cost effectiveness of our workforce. Since 2009, we have restrained growth by prioritizing civilian workforce requirements. Additionally, we have realigned resources to retain an affordable and efficient workforce. In reaction to Defense Departmental reductions, we stood up an Executive Steering Group to determine how to minimize stress to our workforce. As we move forward we will continue to keep faith with our all-volunteer force of federal civilians.

### **VII. Summary**

Marines are key components to the range of military missions our national security demands. We are proud of our reputation for frugality and remain one of the best values for the defense dollar. In these times of budget austerity, the nation continues to hold high expectations

of its Marine Corps, and our stewardship of taxpayer dollars. The Marine Corps will continue to meet the needs of the Combatant Commanders as a strategically mobile force optimized for forward-presence, and crisis response.

As we continue to work with Congress, the Department of the Navy, and the Department of Defense, your Marine Corps remains focused on today's fight and the Marines in harm's way. The United States Marine Corps will remain the nation's premier crisis response force. We will remain most ready, when the nation is least ready... always faithful to our Marines, Sailors and families.

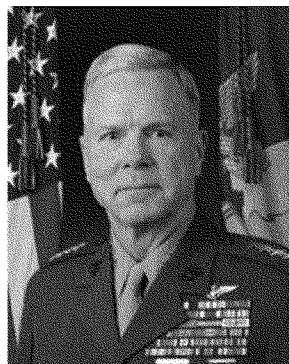


**General James F. Amos**  
**Commandant of the U.S. Marine Corps**



On October 22, 2010 General James F. Amos assumed the duties of Commandant of the Marine Corps. General Amos was born in Wendell, Idaho and is a graduate of the University of Idaho. A Marine Aviator, General Amos has held command at all levels from Lieutenant Colonel to Lieutenant General.

General Amos' command tours have included: Marine Wing Support Squadron 173 from 1985-1986; Marine Fighter Attack Squadron 312 – attached to Carrier Air Wing 8 onboard USS Theodore Roosevelt (CVN-71) – from 1991-1993; Marine Aircraft Group 31 from 1996-1998; 3rd Marine Aircraft Wing in combat during Operations IRAQI FREEDOM I and II from 2002-2004; II Marine Expeditionary Force from 2004-2006; and Commanding General, Marine Corps Combat Development Command and Deputy Commandant, Combat Development and Integration from 2006 to July 2008. Additional operational tours have included Marine Fighter Attack Squadrons 212, 235, 232, and 122.



General Amos' staff assignments have included tours with Marine Aircraft Groups 15 and 31, the III Marine Amphibious Force, Training Squadron Seven, The Basic School, and with the MAGTF Staff Training Program. Additionally, he was assigned to NATO as Deputy Commander, Naval Striking Forces, Southern Europe, Naples Italy where he commanded NATO's Kosovo Verification Center, and later served as Chief of Staff, U.S. Joint Task Force Noble Anvil during the air campaign over Serbia. Transferred in 2000 to the Pentagon, he was assigned as Assistant Deputy Commandant for Aviation. Reassigned in December 2001, General Amos served as the Assistant Deputy Commandant for Plans, Policies and Operations, Headquarters, Marine Corps. From 2008-2010 General Amos was assigned as the 31st Assistant Commandant of the Marine Corps.

General Amos' personal decorations include the Navy Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit with Gold Star, Bronze Star, Meritorious Service Medal, Joint Service Commendation Medal, and the Navy and Marine Corps Achievement Medal.



---

**DOCUMENTS SUBMITTED FOR THE RECORD**

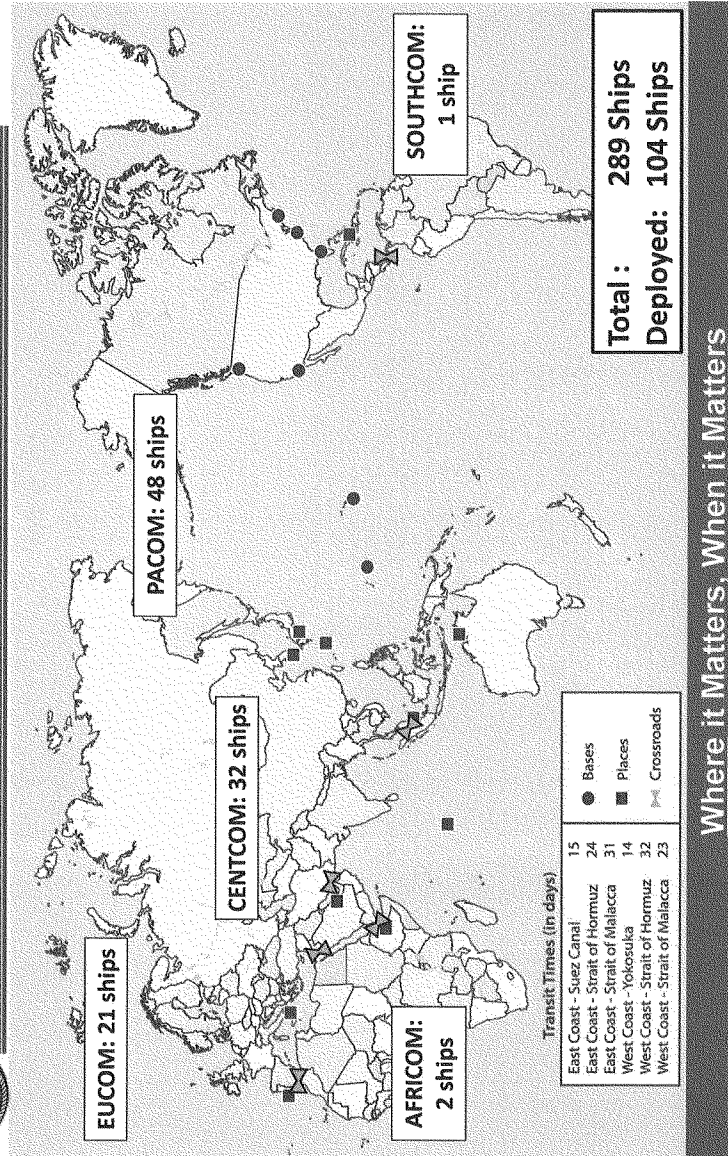
MARCH 12, 2014

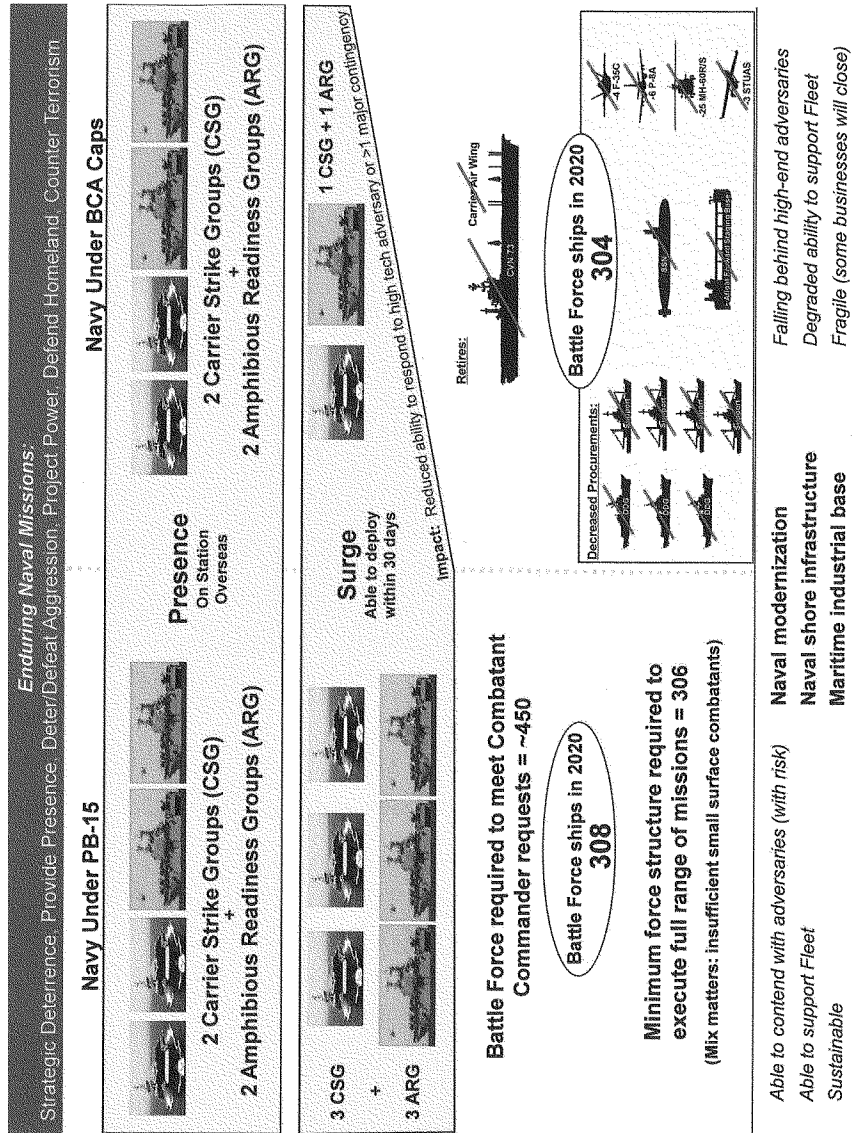
---





## Navy Today









PERSONNEL AND  
READINESS

**UNDER SECRETARY OF DEFENSE**  
4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000

APR 14 2014

The Honorable Jackie Speier  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Speier:

Thank you for your March 11, 2014, letter to the Secretary of Defense regarding the screening of occupants holding sensitive Sexual Assault Prevention and Response (SAPR) positions throughout the Department.

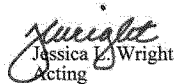
As you know, last May, the Secretary of Defense ordered refresher training and a review of credentials and qualifications of Sexual Assault Response Coordinators (SARC), SAPR Victim Advocates (VA), and recruiters. As you noted, some of the Services expanded their reviews.

Subsequent and separate from these reviews, the Department published detailed criteria for the screening, selection, training, certification, and decertification of SARCs and SAPR VAs who serve the Department. These criteria were published in January 2014, and can be found at <http://www.dtic.mil/whs/directives/corres/pdf/DTM-14-001.pdf>. These exacting standards ensure we field professionals of the highest caliber in our advocacy programs.

Based upon the practices identified by the Services and our Defense Sexual Assault Advocate Certification Program, the Secretary of Defense has directed me to review and determine if additional standards are necessary to screen, select, train, and certify occupants of sensitive positions supporting SAPR or those who directly engage, support, or instruct our newest Service members. These positions include: SARCs, SAPR VAs, recruiters, healthcare providers authorized to conduct a Sexual Assault Forensic Exam, Special Victims Capability Investigators, Special Victims Capability Legal Team, Special Victims Counsel, and initial military trainers. Once these standards are promulgated, the Secretary will determine if a rescreening of these sensitive positions is necessary.

The Department looks forward to continuing to work with you as we continue our relentless efforts to reduce, with the goal to eliminate, sexual assault from our ranks.

Sincerely,

  
Jessica L. Wright  
Acting



---

---

**WITNESS RESPONSES TO QUESTIONS ASKED DURING  
THE HEARING**

MARCH 12, 2014

---

---



#### **RESPONSES TO QUESTIONS SUBMITTED BY MR. JONES**

General AMOS. I recall hearing about Major Weirick's 21 Sept 2013 email briefly from someone on my staff, but I do not remember the full context, nor the circumstances when I first read it. [See page 19.]

General AMOS. Major Weirick's Battalion Commanding Officer issued a lawful military protective order as a result of the email. Commanders may issue a military protective order to safeguard discipline and good order in his or her unit. [See page 19.]

General AMOS. No, I do not fear Major Weirick. [See page 19.]

General AMOS. No, Mr. Hogue has not been reprimanded. [See page 19.]

General AMOS. Inasmuch as this matter is under review by the DOD Inspector General, I will not comment further. [See page 19.]

General AMOS. Of the nine Marines held accountable for their actions in this matter, seven enlisted and two officers, only one, a Captain, was separated involuntarily after an administrative board found substandard performance on his behalf. This officer received an honorable discharge. This separation action, taken by the Secretary of the Navy, was determined subsequent to the NPR interview. No others involved were separated involuntarily as a result of performance or misconduct. One other officer accepted non-judicial punishment and remains on active duty. Four of the seven enlisted Marines were medically retired. One of the seven enlisted Marines remains on active duty; another served out his enlistment and separated from the Marine Corps. The last of the seven enlisted Marines died in a later training accident. [See page 19.]

General AMOS. Editorial criticism is a part of being a service chief and making difficult decisions.

During my service as Commandant, the Marine Corps has faced a number of challenges that we have worked diligently to address and to answer in support of our national security. Marines completed our mission in Iraq after 7 hard years of fighting there. We have waged a counter insurgency campaign in Afghanistan, while simultaneously helping train and assist Afghan National Security Forces.

While thousands of Marines operated in Afghanistan, the Marine Corps continued to provide the best trained and equipped Marines ready to respond to global uncertainty around the globe. All of this being done during a period of fiscal uncertainty, marked by significantly reduced budgets, a substantial drawdown of force structure, and a civilian workforce furlough . . . all done during a time of war. This is unprecedented. The Marine Corps has faced these challenges head on and has performed well in every effort. [See page 19.]

---

#### **RESPONSES TO QUESTIONS SUBMITTED BY MR. CONAWAY**

Secretary MABUS. On average, the DON uses 30 million barrels (bbls) of oil per year. Therefore, a \$1 increase in the cost of a barrel of oil effectively results in a \$30 million annual bill to the Department. Department of Defense fuel purchases are made by the Defense Logistics Agency (DLA) Energy Working Capital Fund.

In FY11, the DON budgeted for fuel costs at \$127.26/bbl. When the standard price increased on June 1, 2011 to \$165.90/bbl, DON actually paid \$38.64/bbl more than budgeted for four months of the fiscal year. Thus, the additional DON FY11 fuel costs were just over \$500M.

Similarly, in FY12, DON budgeted for fuel costs at \$131.04/bbl. This price was set by the Office of Management and Budget (OMB) and the Office of the Secretary of Defense (OSD) Comptroller in November 2010. However, the price of petroleum increased between November 2010 and October 2011, resulting in DLA Energy adjusting the price to \$165.90/bbl to ensure solvency of its Working Capital Fund. The price of fuel was adjusted three more times that year with the total fuel costs exceeding the initial DON budgeted amount by approximately \$500M. In recent years, DON has covered its additional fuel costs through reprogramming funding from other defense accounts.

From FY11–FY13, the Services received an unfunded bill of \$3.2B. If OSD had not reprogrammed \$2B in FY12 and FY13, the Services would have seen a \$5.2B

increase to their fuel costs. Unfunded fuel bills in the year of execution significantly impact training, operations, and ultimately, national security. [See page 29.]

---

#### **RESPONSES TO QUESTIONS SUBMITTED BY MS. SPEIER**

General AMOS. Please see the attached response from OSD. The Marine Corps continues to work in coordination with OSD on this issue. [See page 43.]  
[The response referred to can be found in the Appendix on page 149.]

---

#### **RESPONSES TO QUESTIONS SUBMITTED BY MR. SCOTT**

Admiral GREENERT. A final decision on maintaining or terminating the MH-60R multi-year procurement (MYP) contract has been deferred to FY16. Our proposed FY15 budget fully funds the MYP in FY15 with advance procurement (AP) for the 29 MH-60R aircraft (and full procurement of 8 MH-60S aircraft). If the Navy returns to BCA levels in FY16, the subsequent fiscal constraints would challenge our ability to procure the 29 aircraft. MH-60R procurement would be aligned to force structure reductions. This scenario may cause MH-60R MYP contract termination which could cause contract termination costs and reduce rotary wing capacity for Navy.

We have not determined the exact costs and fees associated with a cancellation. Cancellation fees would be calculated in accordance with Federal Acquisition Regulations. Any cancellation decision and notification would occur after the FY16 budget is approved by Congress.

The cost to procure 29 MH-60R aircraft is estimated at \$760 million; the exact amount will be based on the FY15 appropriation. Both MYP contracts (MH-60R and MH-60S) require FY15 AP funding in order to maintain multi-year aircraft pricing for FY15. Navy will continue to work with Congress and our industry partners on a resolution for the FY16 budget submission. [See page 35.]

---

---

**QUESTIONS SUBMITTED BY MEMBERS POST HEARING**

MARCH 12, 2014

---

---





#### **QUESTIONS SUBMITTED BY MR. MCKEON**

Mr. MCKEON. We've had many lessons learned from contracting actions during contingency operations and there is no doubt we will rely on contract support in future contingencies, be it humanitarian relief or full-spectrum combat operations. What are you doing to not only plan for contract support during a contingency, but to educate and train your personnel so they are prepared to develop requirements, and execute and oversee contracting actions in order to properly respond in a contingency. How are you incorporating lessons learned from contingency contracting in Iraq and Afghanistan into the professional military education of your military and civilian personnel?

Secretary MABUS and Admiral GREENERT. In conjunction with the Office of the Secretary of Defense, Joint Staff and other Military Services, the Department of the Navy (DON) is actively engaged in efforts to institutionalize Operational Contract Support (OCS) through a variety of initiatives in the areas of education, training, joint exercises, doctrine, and service-level policies; incorporating lessons learned from exercises and current operations. The Navy is an active member of the DOD OCS Functional Capabilities Integration Board, which provides oversight for all ongoing and planned OCS related initiatives across the Department.

While the DON is in the initial stages of fully developing its OCS capability, funding for OCS initiatives will continue to face resourcing challenges and fiscal risk in light of the Department's overall limited resources.

Mr. MCKEON. We've had many lessons learned from contracting actions during contingency operations and there is no doubt we will rely on contract support in future contingencies, be it humanitarian relief or full-spectrum combat operations. What are you doing to not only plan for contract support during a contingency, but to educate and train your personnel so they are prepared to develop requirements, and execute and oversee contracting actions in order to properly respond in a contingency. How are you incorporating lessons learned from contingency contracting in Iraq and Afghanistan into the professional military education of your military and civilian personnel?

General AMOS. The Marine Corps is actively engaged with the Office of the Secretary of Defense, Joint Staff and other Military Services in efforts to institutionalize Operational Contract Support (OCS). The Department of Defense (DOD) FY14-17 OCS Action Plan, currently in staffing, identifies specific actions the Marine Corps is taking to close the remaining OCS capability gaps. The Marine Corps has taken on a bigger role in OCS implementation within DOD, and has been designated as an associate member of the DOD OCS Functional Capabilities Integration Board (FCIB), which provides oversight for all OCS related initiatives across DOD.

The Marine Corps is making great progress by incorporating lessons learned from exercises and current operations to institutionalize OCS across the Corps. Through a variety of OCS initiatives in the areas of training and education, organization, doctrine and service level policy, the Marine Corps is defining OCS within its unique warfighting mission.

The Marine Corps OCS initiatives include: employment of an OCS cell within the Marine Air Ground Task Force (MAGTF) Logistics Staff to support contract planning and contractor integration for Operation Enduring Freedom; developed OCS specific training scenarios to incorporate into Mission Rehearsal Exercises (MRX) for deploying forces; establishing OCS focused billets within our Marine Expeditionary Forces as well as the Marine Corps Service Component Command assigned in support of the Combatant Commanders; drafting policy on OCS responsibilities at the various levels of operation and support within the Marine Corps. The Marine Corps is committed to establishing OCS capability to support current and future contingency missions.

---

#### **QUESTIONS SUBMITTED BY MR. WILSON**

Mr. WILSON. General Amos, as the war in Afghanistan dies down, what is your long-term plan for the wounded warrior regiment?

General AMOS. Keeping Faith with Marines, Sailors and their families remains one of my top priorities. You have my commitment that, the Marine Corps, through the Wounded Warrior Regiment (WWR), will continue recovery care in times of war and in peacetime. We recognize that recovery care must be enduring in view of issues resulting from the current decade of war, including, catastrophic injuries requiring acute care, traumatic brain injury, and complex psychological health problems. These problems are not solved by short-term care and require continuing services.

The Marine Corps' post-2014 strategy and our reduced presence in Afghanistan will result in fewer combat casualties; however, currently 50 percent of the WWR's Marines are ill or injured outside of a combat zone. While we will ensure our capabilities remain at 100 percent, the WWR is weighing options to streamline its global presence while preserving flexibility to ramp-up capabilities if requirements emerge. Viable options to right size WWR's global presence may include converting peripheral detachments to liaison teams with Recovery Care Coordinator capacity. The concentration of care would be provided at five "Recovery Centers of Excellence": Camp Pendleton, Naval Medical Center San Diego, Walter Reed National Military Medical Center, Camp Lejeune, and San Antonio Military Medical Center.

---

#### QUESTIONS SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. Where have you had to accept risk in your research and development initiatives? Which R&D initiatives have you protected as core to your future needs?

Admiral GREENERT. Some risk was accepted in PB-15 in programs such as Next Generation Jammer (NGJ), F/A-18 improvements, and Unmanned Carrier Launched Airborne Surveillance and Strike (UCLASS).

Navy continues to invest in the Ohio Replacement Program (ORP)—keeping our top priority program on track. Navy has budgeted \$1.2 billion in FY 2015 for ORP. FY 2015 research and development will focus on the propulsion plant, missile compartment development, and platform development technologies like the propulsor, electric actuation, maneuvering/ship control, and signatures. In support of long-standing bilateral agreements with the United Kingdom these funds also provide for joint development of missile launch technologies. To meet the cost targets for the program, the Department also continues design for affordability.

To protect Navy's future needs, R&D in other programs received modest or no reductions in PB-15 including: Air and Missile Defense Radar (AMDR), Science and Technology (S&T), Joint Strike Fighter (JSF), P-8, and AEGIS Combat System.

Several key programs received additional RDT&E funding in PB-15. These include Next Generation Land Attack Weapon (NGLAW), Railgun, MQ-4 Triton, and E-2D Advanced Hawkeye.

---

#### QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. I would like to understand how the budget supports equipping the Navy to address ISR requirements in the Asia-Pacific region. As you know, the Pacific area is incredibly expansive making it a challenge for military planning. What kind of technologies is the Navy investing in to support the Pacific-focused military strategy? I am especially interested in how unmanned systems like the MQ-4C Triton can help meet the unique challenges of this region.

Secretary MABUS. The expansiveness of the Pacific area does present unique challenges in both time and distance. The Navy is developing and investing in technologies and capabilities to deliver scalable, persistent, and networked Intelligence, Surveillance, Reconnaissance, and Targeting (ISR&T) providing battle space awareness across the full range of maritime missions. The Navy will provide the warfighter with the right sensor, on the right platform, at the right place and time, for the right effects. MQ-4C Triton leverages reach and persistence and when integrated with manned platforms holds potential adversaries at risk earlier and over longer periods of time. In its primary role, MQ-4C Triton is intended for operational and tactical users such as the Joint Forces Maritime Component Commander, Carrier Strike Group, Expeditionary Strike Group, and Surface Action Group by providing intelligence preparation of the environment and a persistent source of information to maintain the Common Operational and Tactical Picture of the maritime battle space. The 360-degree Field of Regard sensor suite on MQ-4C Triton includes: Multi-Function Active Sensor (MFAS) maritime radar which is an AESA radar with search, Synthetic Aperture Radar (SAR) and Inverse Synthetic Aperture

Radar (ISAR) modes; Electro-Optical/Infrared (EO/IR) sensor; Automatic Identification System (AIS) receiver; and Electronic Support Measures (ESM).

Ms. BORDALLO. I understand that there has been an active debate within the Navy regarding the role of the UCLASS program and what missions it will fulfill. It seems some argue that the Navy needs additional ISR assets as soon as possible and basing these on an aircraft carrier could provide a number of benefits. On the other side, are those suggesting that the most effective way to utilize aircraft carriers and project power into the future is by developing a robust, survivable or “stealthy” platform that is capable of operating in contested airspace. What do you think and why? Although I appreciate the need for additional ISR, I worry that those requirements could be filled by other means and developing another unmanned system that can’t operate in an A2/AD environment is short-sighted.

Secretary MABUS. The Navy remains committed to the Unmanned Carrier Launched Airborne Surveillance and Strike (UCLASS) program, which will provide a carrier-based UAS to extend the ISR and precision strike reach of the air wing in a contested environment. UCLASS operational requirements were approved by the CNO on 5 April 2013 and have remained constant. They were subsequently validated by the JROC to align with the DOD’s comprehensive capability. These requirements delineate the need for CVN based ISR&T to meet today’s operational needs and future operations in contested environments. The in-depth and comprehensive discussions you reference centered not on the operational requirement, but on the Government’s desire to define to the industry base the need to ensure the system procured today had the required future capability to achieve contested operational requirements. It was less a debate and more of an analysis to understand the balance between cost, schedule, technology, and industrial base manufacturing capability. The resulting UCLASS acquisition strategy leverages industry’s ability to deliver within 4–5 years from contract award, a capable and survivable air vehicle within the \$150M cost per orbit requirement, while preserving the ability to incrementally increase Air Vehicle (AV) capability in the future to match evolving threats. The in-depth analysis referenced herein will result in a UCLASS system that includes CVN based ISR &T along with precision strike with robust survivability capable of operating in denied environments.

Ms. BORDALLO. I would like to understand how the budget supports equipping the Navy to address ISR requirements in the Asia-Pacific region. As you know, the Pacific area is incredibly expansive making it a challenge for military planning. What kind of technologies is the Navy investing in to support the Pacific-focused military strategy? I am especially interested in how unmanned systems like the MQ-4C Triton can help meet the unique challenges of this region.

Admiral GREENERT. The expansiveness of the Pacific area does present unique challenges in both time and distance. The Navy is developing and investing in technologies and capabilities to deliver scalable, persistent, and networked Intelligence, Surveillance, Reconnaissance, and Targeting (ISR&T) providing battle space awareness across the full range of maritime missions. MQ-4C Triton provides reach and persistence, and when integrated with manned platforms, holds potential adversaries at risk earlier and over longer periods of time. In its primary role, MQ-4C Triton is intended for operational and tactical users such as the Joint Forces Maritime Component Commander, Carrier Strike Group, Expeditionary Strike Group, and Surface Action Group by providing intelligence preparation of the environment and a persistent source of information to maintain the Common Operational and Tactical Picture of the maritime battle space. The 360-degree Field of Regard sensor suite on MQ-4C Triton includes: Multi-Function Active Sensor (MFAS) maritime radar which is an active, electronically scanned array (AESA) radar with search, Synthetic Aperture Radar (SAR) and Inverse Synthetic Aperture Radar (ISAR) modes; Electro-Optical/Infrared (EO/IR) sensor; Automatic Identification System (AIS) receiver; and Electronic Support Measures (ESM).

Ms. BORDALLO. I understand that there has been an active debate within the Navy regarding the role of the UCLASS program and what missions it will fulfill. It seems some argue that the Navy needs additional ISR assets as soon as possible and basing these on an aircraft carrier could provide a number of benefits. On the other side, are those suggesting that the most effective way to utilize aircraft carriers and project power into the future is by developing a robust, survivable or “stealthy” platform that is capable of operating in contested airspace. What do you think and why? Although I appreciate the need for additional ISR, I worry that those requirements could be filled by other means and developing another unmanned system that can’t operate in an A2/AD environment is short-sighted.

Admiral GREENERT. The UCLASS operational requirements that I approved on 5 April 2013 have remained constant and have been validated by the JROC to align with the DOD’s comprehensive capability. These requirements delineate the need

for CVN based ISR&T to meet today's operational needs and future operations in contested environments. At EOC (within 4–5 years of air vehicle segment contract award), the UCLASS acquisition strategy will deliver a CVN-based ISR&T system within the affordability KPP cost guidelines (\$150M per orbit) while allowing for growth capability to match evolving threats. The resultant UCLASS system will include CVN-based ISR &T, precision strike, and robust survivability for operating in denied environments.

#### QUESTIONS SUBMITTED BY MR. KLINE

Mr. KLINE. What is the plan for upgrading the 36 legacy H–1 engines that are installed in the updated H–1 aircraft, the AH–1Z and UH–1Y? If there is a plan, what avenues are being explored to fund this initiative and how can Congress help complete the upgrade of these aircraft in order to have a fleet of H–1s with the same engine? If there is not a plan, why not?

General AMOS. The 36 AH–1Z aircraft, equipped with legacy T700–401 engines, are logistically supported and will continue to be as long as the engines remain in our inventory. This issue has been officially considered for funding by Headquarters Marine Corps during the creation of POM–14, POM–15, and POM–16 budgets as well as the Naval Aviation Enterprise Fleet Readiness Initiative for POM–16. Due to competing priorities in this fiscally constrained environment, the engine upgrade has thus far remained unfunded. However, we included this as a candidate for funding on the Marine Corps' Unfunded Requirements (UFR) submission and the President's Opportunity, Growth, and Security Initiative (OGSI) in the FY15 President's Budget submission. Additional funding associated with the OGSI will be used this year to upgrade these 36 AH–1Z aircraft.

In the long term, the Marine Corps plans to buy T700–401C engines to replace these legacy engines. Upgrading these engines—to the T700–401C—is a priority, and we continue to explore all avenues of funding for this initiative.

Mr. KLINE. In addition to constraints being imposed on the end-strength of the force, constraints have also been imposed on capabilities; what are your top priorities for capabilities or resources in order to maintain the Marine Corps as the Nation's Expeditionary Force in Readiness? How has this been affected by the recent budgetary constraints?

General AMOS. In order to continue to execute the missions assigned the Marine Corps in both the Defense Strategic Guidance and execute our Title X responsibilities the Marine Corps must maintain a focus on capabilities that provide readily available scalable forces. We will retain a forward and ready posture that enables immediate crisis response. If required, this initial response force has the ability to composite with other forward forces to provide additional capability as needed to satisfy Geographic Combatant Commander requirements. We must be prepared as individuals and as a force to move rapidly, operate immediately, adapt to conditions and succeed in dispersed and austere environments. The key resources that provide us these capabilities are amphibious ships coupled with programs such as ACV, F35B, and the next generation of connectors. All of these will allow us to execute future amphibious operations from crisis response to forcible entry at the times and places of our choosing. Programs such as JLTV and G/ATOR will replace outdated legacy systems and allow Marines to be successful on the 21st century battlefield. Budgetary pressures continue to cause the Marine Corps to take a careful approach to balancing near term readiness with long term investments in capabilities. Planned reductions in FY16 and beyond would cause equipment modernization and many procurement programs to suffer cuts or elimination to protect the investments in the major acquisition programs detailed above.

Mr. KLINE. Please explain the tradeoffs made when designing the force and your opinion of how this will affect both the Marine Corps and national security in the short term and long term.

General AMOS. The Marine Corps is designed as a forward-deployed force, immediately available for crisis response. It will be a ready force, involved with theater security activities, reassuring our partners and allies and deterring potential adversaries. In order to prioritize these emerging demands in a fiscally constrained environment, we accepted risk in Major Combat Operations and stability operations. The redesigned Marine Corps made tradeoffs in some high end capabilities, like armor and artillery, in order to concentrate on our role as America's expeditionary force in readiness.

In the short term, our focus on readiness ensures that 20 of our 21 battalions will be adequately trained and ready for a major war. However, should major war occur, we will be all in until the war is over. We will have very little left for crises that

could occur in other parts of the world. To meet presence demands, our force will maintain a high operational tempo at 1:2 deployment to dwell ratio which will increase risk by stressing training requirements and straining our career force.

The long term impacts depend in large part on resourcing levels. A return to sequestration in FY16 with a 175k force would equate to high risk. At this lowered resource level, our units that deploy to combat would not be as well trained, and would be slower arriving. This means that it will take longer to achieve our objectives, and the human cost will be higher.

---

#### QUESTIONS SUBMITTED BY MR. SHUSTER

Mr. SHUSTER. As you are well aware, the Army's Common Remotely Operated Weapon Station, or CROWS, is under full-materials release, with more than 11,000 systems in service. I am sure you are aware that the CROWS system would allow Marines to engage the enemy from inside the relative safety of an armored vehicle; using a joystick and a computer screen, benefiting from the inherent advantages of a state of the art sensor system that would allow them to engage the enemy in all conditions. General, one would assume that a system such as CROWS, with a proven capacity to protect troops, a combat proven legacy, and a significant fielding investment already made by the Army, would be very attractive to the Marine Corps. Even more so now that the Navy has already adopted this system. General, can you tell this committee about the Marine Corps' current thinking regarding procurement of this system?

General AMOS. The Marine Corps Warfighting Lab (MCWL) assessed the Commonly Remotely Operated Weapons Station (CROWS) Remote Weapons Station (RWS) on a HMMWV in 2010 in Camp Lejeune. While the assessment indicated there were some gains in terms of operator protection, accuracy and nighttime visibility, the Marines using the system reported degradation in their situational awareness and a loss of field of view. MCWL performed technology investigations to address these challenges, however no formal requirements resulted from their efforts. MCWL later transferred the RWS systems to the Office of Naval Research for use on their Gunslinger Packages for Advanced Convoy Security (GunPACS) on our Medium Tactical Vehicle Replacements (MTVRs).

There have been no further requirements generated by our Marines in the operating forces to procure a remote weapons system, of which CROWS is one example.

We have made provisions within future requirements for Joint Light Tactical Vehicle (JLTV) and Amphibious Combat Vehicle (ACV) to integrate a remote weapons system. Further, government sponsored technology demonstrations and evaluations have been conducted to better understand RWS performance. Platform specific requirements are currently under review. Future research and development will explore means to mitigate Situational Awareness degradation and effectively integrate RWS technology into our military vehicles.

---

#### QUESTIONS SUBMITTED BY MR. CONAWAY

Mr. CONAWAY. Please provide the calculations that support the statement that a \$1 increase in the price of a barrel of oil costs the Navy \$30,000,000 in increased fuel costs.

Secretary MABUS. On average, the DON uses 30 million barrels (bbls) of oil per year. Therefore, a \$1 increase in the cost of a barrel of oil effectively results in a \$30 million annual bill to the Department. Department of Defense fuel purchases are made by the Defense Logistics Agency (DLA) Energy Working Capital Fund.

In FY11, the DON budgeted for fuel costs at \$127.26/bbl. When the standard price increased on June 1, 2011 to \$165.90/bbl, DON actually paid \$38.64/bbl more than budgeted for four months of the fiscal year. Thus, the additional DON FY11 fuel costs were just over \$500M.

Similarly, in FY12, DON budgeted for fuel costs at \$131.04/bbl. This price was set by the Office of Management and Budget (OMB) and the Office of the Secretary of Defense (OSD) Comptroller in November 2010. However, the price of petroleum increased between November 2010 and October 2011, resulting in DLA Energy adjusting the price to \$165.90/bbl to ensure solvency of its Working Capital Fund. The price of fuel was adjusted three more times that year with the total fuel costs exceeding the initial DON budgeted amount by approximately \$500M. In recent years, DON has covered its additional fuel costs through reprogramming funding from other defense accounts.

From FY11-FY13, the Services received an unfunded bill of \$3.2B. If OSD had not reprogrammed \$2B in FY12 and FY13, the Services would have seen a \$5.2B

increase to their fuel costs. Unfunded fuel bills in the year of execution significantly impact training, operations, and ultimately, national security.

Mr. CONAWAY. What is the Navy's total cost for fuel annually? And, how much fuel does the Navy purchase annually?

Secretary MABUS. According to our financial records, the Department of the Navy (DON) purchased a total of 30,052,000 barrels of oil for worldwide missions in FY 2012. Further, an additional 8,422,000 barrels were procured for overseas contingency operations (OCO), bringing the total number of barrels of oil purchased that year to 38,474,000. Under normal operations, DON typically uses about 30 million barrels a year.

FY 2012 was a particularly volatile year in the oil markets. That year the Services were budgeted a standard price of refined product of \$131.04 per barrel. As a result of upward price movements and market volatility, the actual price paid by the Services for refined product was \$145.18 per barrel. This left a balance of \$14.14 per barrel the Department had to accommodate in FY 2012 and resulted in unfunded bill of more than \$500 million in the year of execution. Thus, the total cost for fuel in FY 2012 was \$5,585,655,320.

Mr. CONAWAY. Of this total cost, what percentage does foreign oil account for annually?

Secretary MABUS. DLA Energy does not track the sources of crude oil, except to ensure that crude oil does not come from prohibited sources (Iran, Sudan, and North Korea). As oil is a fungible product, once it enters the refinery stream and fuel distribution network, there is no meaningful way to know where the refined product came from.

Mr. CONAWAY. Of this percentage, how much foreign oil is purchased when the Navy refuels in foreign ports?

Secretary MABUS. DLA Energy does not track the sources of crude oil, except to ensure that crude oil does not come from prohibited sources (Iran, Sudan, and North Korea). As oil is a fungible product, once it enters the refinery stream and fuel distribution network, there is no meaningful way to know where the refined product came from.

Mr. CONAWAY. Won't the Navy be reliant on some percentage of foreign oil by necessity of operating in forward theaters where it must refuel in foreign ports?

Secretary MABUS. Yes, refueling in foreign ports is done by fuel provided in that foreign port. And increasingly, more alternative fuels are entering the foreign distribution networks. Moreover, competitively price alternative fuels, foreign or domestic, provide greater flexibility and imply greater cost stability as a result.

Mr. CONAWAY. When the Navy purchases oil in the U.S., how do you know, or distinguish, what oil is from North America and what is foreign imported from overseas?

Secretary MABUS. At the point of purchase by DLA Energy, it is unknown whether oil originates from the United States, elsewhere in North America, or from another foreign country. DLA Energy does not track the source of crude oil, except to ensure that crude oil does not come from prohibited sources.

Mr. CONAWAY. When refueling in foreign ports, what percentage of annual foreign oil purchases are conducted with the SEACARD program that secures a predetermined price negotiated and contracted by the Defense Logistics Agency?

Secretary MABUS. Of the nearly 1.3 billion gallons of fuel the Navy purchases annually, SEACARD purchases made in calendar year (CY) 2013 amounted to 8.67 million gallons, and were almost entirely for Marine Gas Oil (MGO). MGO is a commercial substitute that is approved for use as an alternative when the Navy's preferred marine fuel, F-76, is not available. The remainder of SEACARD purchases in CY13 were sourced from the bulk fuel programs, which also negotiates and contracts either an annual or three-year fuel procurement.

Compared to the bulk fuels purchase program annual requirements for the Western Pacific and Atlantic/European/Mediterranean programs in 2013, the SEACARD purchase amounts represent approximately 2.8% of the total F-76 overseas requirements.

Mr. CONAWAY. Do you anticipate transporting U.S.-produced biofuels to foreign ports in order to reduce our dependence on foreign oil?

Secretary MABUS. DLA Energy does not track the sources of crude oil, except to ensure that crude oil does not come from prohibited sources (Iran, Sudan, and North Korea). As oil is a fungible product, once it enters the refinery stream and fuel distribution network, there is no meaningful way to know where the refined product came from.

In all likelihood, the majority of fuels acquired in foreign ports come from foreign sources. And increasingly, more alternative fuels are entering the foreign distribu-

tion networks. Moreover, competitively price alternative fuels, foreign or domestic, provide greater flexibility and imply greater cost stability as a result.

Mr. CONAWAY. In previous testimony, you mentioned that transporting conventional fuel into Afghanistan has cost lives—if biofuels replace conventional fuels, will the U.S. no longer have to use convoys to transport biofuels to theaters of war?

Secretary MABUS. Alternative fuels are intended to be drop-in replacements that function in a manner identical to the petroleum that they displace. Alternative fuels increase the fuel supply base and give our forward deployed troops additional fuel flexibility. Reducing the reliance on fuel convoys to transport fuel into theater, the USMC has introduced a number of renewable energy technologies such as solar-powered battery chargers, tent liners, LED lighting, and renewable power generators that reduce fuel requirements while maintaining or enhancing capabilities. In Afghanistan, these technologies were made available to all battalions operating in theater, resulting in lower fuel consumption and reducing demands to transport fuel into theater.

Mr. CONAWAY. Do you foresee a time where the U.S. and our ally and partner in North America cannot produce oil?

Secretary MABUS. In order to serve the national interest the DON must have secured access to reliable sources of energy to train for and execute its missions. Planning for a future where that energy source remains tied to a single commodity and all its attendant risks is not in the best interest of either the DON or the Nation that it serves.

Oil is a finite resource. It would be imprudent to rely on that single commodity, riding its price shocks and supply constraints until the very last drop, before seeking alternative sources.

Mr. CONAWAY. Does it make sense to stand up an entirely new industry when we already have one that efficiently and effectively provides for our energy needs right now and according to experts will be able to do so far into the future?

Secretary MABUS. While the oil market has been able to supply fuel to the DON, the problem of at what cost still remains. In FY11 and FY12 the DOD saw an unfunded bill in the year of execution of \$3 billion due to sharp price movements and volatile markets. In FY13, oil price shocks and volatility would have resulted in an additional \$1 billion unfunded bill had it not been for the reprogramming of DOD funds. This unpredictable global commodity has direct and negative impacts on training, readiness, and national security.

It is irresponsible and in direct conflict to our national security to not pursue alternative fuels. As major consumers of liquid fuel, the United States as a whole and the DOD in particular would greatly benefit from a competitive, domestic renewable fuels industry capable of broadening the commodity supply base and ultimately helping to ease the impacts of volatility oil markets. Further, oil is a finite resource and to rely solely on this one resource until the day it runs out is once again at direct odds with our Nation's security.

Mr. CONAWAY. In preparation for the Great Green Fleet in 2016, how much money do you expect to spend on biofuels?

Secretary MABUS. The DON will only purchase biofuels at a price cost competitive to petroleum-based fuel. The integration of competitively priced drop-in biofuel with petroleum-based fuels marks the start of the "new normal," where drop-in biofuels will be fully incorporated into logistics and operations. One early indicator of the price that DON can expect to pay in 2016 is the average price of the DPA Title III alternative fuel companies. They have committed to provide more than 100 million gallons per year with production starting in 2016 at an average price point of less than \$3.36/gallon. For comparison, DLA Energy's standard fuel price is \$3.73/gallon. Competitively priced drop-in biofuel is on track to begin entering DOD's distribution system in 2015 and will provide greater flexibility and financial stability to DOD fuel costs. These fuels also provide the ability to offset the \$1B fuel cost adjustments that have occurred several times in recent years.

Mr. CONAWAY. How much was the DPA biofuel purchase that you mentioned in your written testimony?

Secretary MABUS. To date, no biofuel purchases have been made through the DPA. Beginning in 2016, the DPA companies will be producing biofuel at commercial scale. Based upon their commitments, the DPA companies stand to:

- produce more than 100 million gallons per year of drop-in, military compatible fuels;
- at a weighted average price of less than \$3.36 per gallon; and
- with at least 50% lower lifecycle greenhouse gas (GHG) emissions than that of conventional fuel.

**QUESTIONS SUBMITTED BY MR. COFFMAN**

Mr. COFFMAN. The events at Forward Operating Base Delhi from July 24 to August 10, 2012 and the related referral of Major Jason Brezler to a Board of Inquiry are the subject of criminal investigations by the Justice Department and the military, and civil investigations by the Department of Defense and Marine Corps inspectors general. Is it premature to separate Major Brezler, a current or prospective witness in these investigations, from the Marines at this time?

General AMOS. Board of Inquiry procedures are designed to provide officers full and fair hearings when there is reason to believe they have not maintained required standards of performance or conduct and may therefore be separated for cause. These administrative separation proceedings are independent of the investigations by the Justice Department and the military and civil investigations by the Department of Defense and Marine Corps Inspectors General. Regardless of whether Major Brezler is ultimately separated from the Marine Corps, he may serve as a witness in these investigations.

Mr. COFFMAN. Were the reported statements of the Marines' Office of Legislative Affairs to the House Armed Services Committee staff circa October 30, 2013 that Major Jason Brezler (1) sent classified information from home, (2) waited six weeks to self-report a possible spillage of classified information, (3) destroyed evidence, (4) had his computer confiscated, (5) had 107 classified documents his computer, all of which were (6) clearly marked as such, accurate based on information available to the Marines at that time? Are they supported by sworn testimony at Major Brezler's December 17–19 Board of Inquiry?

General AMOS. Yes, the reported statements reflected the most accurate information available to the Marine Corps at the time. Boards of Inquiry receive extensive review of both the legal and the factual sufficiency of the proceedings. Evidence at a Board of Inquiry, which is an administrative proceeding, can include documentary evidence, sworn testimony, sworn and unsworn statements of the respondent, and other forms of evidence. At this stage of review, it is not possible to determine the precise format of the evidence that led the Board of Inquiry to its findings and recommendations. Further, because Major Brezler's Board of Inquiry is still under review, it would be inappropriate to comment on the proceedings at this point.

**QUESTIONS SUBMITTED BY MR. BROOKS**

Mr. BROOKS. I understand that the Navy is considering ending its buy of the highly praised MH-60R helicopter after this year's buy—which would leave the Navy with 29 aircraft short of its requirement and would break the current H-60 multi-year procurement. What is the termination liability of such a move and what are the effects this will have on the price of the Army UH-60M aircraft for next year if the multi-year is broken? I understand the necessities of your budget crunch, but will this have a negative effect on the Navy's operational capability being short this many aircraft?

Secretary MABUS and Admiral GREENERT. A final decision on maintaining or terminating the MH-60R multi-year procurement (MYP) contract has been deferred to FY16. Our proposed FY15 budget fully funds the MYP in FY15 with advance procurement (AP) for the 29 MH-60R aircraft (and full procurement of 8 MH-60S aircraft). If the Navy returns to BCA levels in FY16, the subsequent fiscal constraints would challenge our ability to procure the 29 aircraft. MH-60R procurement would be aligned to force structure reductions. This scenario may cause MH-60R MYP contract termination which could cause contract termination costs and reduce rotary wing capacity for Navy.

We have not determined the exact costs and fees or effects on Army UH-60M associated with a cancellation. Cancellation fees would be calculated in accordance with Federal Acquisition Regulations. Any cancellation decision and notification would occur after the FY16 budget is approved by Congress.

The cost to procure 29 MH-60R aircraft is estimated at \$760 million; the exact amount will be based on the FY15 appropriation. Both MYP contracts (MH-60R and MH-60S) require FY15 AP funding in order to maintain multi-year aircraft pricing for FY15. Navy will continue to work with Congress and our industry partners on a resolution for the FY16 budget submission.

Mr. BROOKS. I saw that the President's Budget cut 29 MH-60R helicopters from the planned procurement. I wonder how this will negatively impact the Department, the warfighter, and, ultimately, the taxpayer. Won't the USG, specifically the Department of the Navy, be faced with termination liability? Won't breaking the multi-year cost close to the amount of the deleted 29 helicopters?



Secretary MABUS and Admiral GREENERT. A final decision on maintaining or terminating the MH-60R multi-year procurement (MYP) contract has been deferred to FY16. Our proposed FY15 budget fully funds the MYP in FY15 with advance procurement (AP) for the 29 MH-60R aircraft (and full procurement of 8 MH-60S aircraft). If the Navy returns to BCA levels in FY16, the subsequent fiscal constraints would challenge our ability to procure the 29 aircraft. MH-60R procurement would be aligned to force structure reductions. This scenario may cause MH-60R MYP contract termination which could cause contract termination costs and reduce rotary wing capacity for Navy.

We have not determined the exact costs and fees associated with a cancellation. Cancellation fees would be calculated in accordance with Federal Acquisition Regulations. Any cancellation decision and notification would occur after the FY16 budget is approved by Congress.

The cost to procure 29 MH-60R aircraft is estimated at \$760 million; the exact amount will be based on the FY15 appropriation. Both MYP contracts (MH-60R and MH-60S) require FY15 AP funding in order to maintain multi-year aircraft pricing for FY15. Navy will continue to work with Congress and our industry partners on a resolution for the FY16 budget submission.

Mr. BROOKS. I understand that the Navy is considering ending its buy of the highly praised MH-60R helicopter after this year's buy—which would leave the Navy with 29 aircraft short of its requirement and would break the current H-60 multi-year procurement. What is the termination liability of such a move and what are the effects this will have on the price of the Army UH-60M aircraft for next year if the multi-year is broken? I understand the necessities of your budget crunch, but will this have a negative effect on the Navy's operational capability being short this many aircraft?

General AMOS. The Marine Corps' procurement of aviation assets is planned and programmed in close coordination with the Department of the Navy (DON). The DON allocates a portion of their total obligation authority (TOA) to Marine Aviation, and as such, Marine Corps aircraft are procured with Navy "Blue" dollars.

The Fiscal Year 2015 budget provides Marine Aviation with the best balance of requirements within the constraints of the Bipartisan Budget Agreement. We have a vested interest in Naval Aviation, but the Marine Corps' aviation portfolio does not include MH-60R aircraft. We defer to the Navy, as they continue to evaluate this issue as part of their Program Objective Memorandum for FY16 (POM-16) budget submission.

Mr. BROOKS. I saw that the President's Budget cut 29 MH-60R helicopters from the planned procurement. I wonder how this will negatively impact the Department, the warfighter, and, ultimately, the taxpayer. Won't the USG, specifically the Department of the Navy, be faced with termination liability? Won't breaking the multi-year cost close to the amount of the deleted 29 helicopters?

General AMOS. The Marine Corps' procurement of aviation assets is planned and programmed in close coordination with the Department of the Navy (DON). The DON allocates a portion of their total obligation authority (TOA) to Marine Aviation, and as such, Marine Corps aircraft are procured with Navy "Blue" dollars.

The Fiscal Year 2015 budget provides Marine Aviation with the best balance of requirements within the constraints of the Bipartisan Budget Agreement. We have a vested interest in Naval Aviation, but the Marine Corps' aviation portfolio does not include MH-60R aircraft. We defer to the Navy, as they continue to evaluate this issue as part of their Program Objective Memorandum for FY16 (POM-16) budget submission.

---

#### QUESTIONS SUBMITTED BY MRS. WALORSKI

Mrs. WALORSKI. In a December 2012 Proceedings article entitled "Imminent Domain," you wrote that, "Future conflicts will be won in a new arena—that of the electromagnetic spectrum and cyberspace. We must merge, then master those realms." Can you give this committee an update on the progress the Navy has made on its goal of improved electromagnetic decision-making across the fleet, given the vast array of threats we face today?

Admiral GREENERT. We have emphasized electromagnetic spectrum (EMS) decision-making across the Fleet and have continued to invest in EMS-related programs. As I indicated in my article, our focus on the spectrum is underpinned by the convergence of the EMS and Cyberspace. They are inter-dependent components vital to modern warfare and are necessary for the delivery of integrated fires. As information becomes so intertwined with the transmission medium (light in a fiber

optic cable, terrestrial radio waves, or satellite links), our ability to leverage the EMS in its entirety and counter the adversary's use of it becomes a critical element of any Navy operation.

We continue to integrate elements of cyberspace operations into the Fleet Response Training Plan (FRTTP), preparing deployable units and strike groups to respond to the inherent challenges of operating in a contested electromagnetic and cyber environment. We placed focused effort toward initiatives being employed during fleet exercises with allies to assess, validate, refine, and deploy Tactics, Techniques, and Procedures that instill resiliency in a Command and Control Denied or Degraded Environment (C2D2E). Navy is focusing on updating and generating EMS-related decision making, doctrine, and operating concepts with a focus on force-level operations in denied environments.

In addition to these Fleet initiatives, we continue to make significant progress in capability development. These efforts include investments in Research and Development (R&D), Science and Technology (S&T), and concept development in an effort to rapidly field advanced EMS decision-making technologies into existing programs of record. Focused investments by the Navy in EMS capabilities are also contributing to the Joint fight, including efforts to improve our electromagnetic situational awareness and command and control (C2) tools.

Mrs. WALORSKI. In an era of declining defense budgets, how do we adequately invest for the future so that we are able to stay ahead of the emerging EW threat abroad?

Admiral GREENERT. I have made it a priority to continue investing in Navy EW programs at or above previous funding levels given the proliferation and sophistication of global EW threats.

Science and technology (S&T) initiatives on the part of the Office of Naval Research (ONR) and others are critical to the success of our future EW capabilities. ONR is investing in the integration of EW, cyber, and communications systems to address EW threats in an integrated fashion with other systems that operate in and through the electromagnetic spectrum (EMS). We are transitioning these S&T efforts to the development of systems and programs with a common architecture, multiple functions, and with cross-platform (ship, aircraft, submarine) applications.

New programs are being designed with agility and flexibility across the EMS "built in." EMS agility is critical to both protecting Navy forces from detection and denying potential adversaries' access to the EMS in contested environments. Our investments enhance our spectrum agility by taking advantage of vulnerabilities in potential adversaries' position in and use of the EMS. Given the rate at which global EW threats are growing in sophistication and proliferating, current and future investments in programs and systems that use the EMS will be emphasized in order to maintain the overall efficacy of Navy integrated combat systems.

Mrs. WALORSKI. I am pleased to hear that naval aviation is taking initial steps to analyze the feasibility of integrating the Dual Mode Brimstone (DMB) missile on the F/A-18 Super Hornet. We're aware of the small boat threat and always interested in hearing about ways to save money by leveraging existing technologies like the DMB. The missile reportedly would be helpful in defeating high speed maneuvering targets like swarming small boats and vehicles with its integrated semi-active laser and active radar seeker. I understand that the missile is fully developed and has been used extensively by UK Royal Air Force Tornado fighters in combat operations over Afghanistan and Libya with extraordinary accuracy and low collateral damage because of DMB's high-quality seeker.

It is my further understanding that the missile was successfully integrated on an MQ-9 Reaper aircraft and hit target vehicles traveling in excess of 70 miles per hour at the Naval Air Station in China Lake, California in January of this year. According to reports, the missiles are extremely accurate and are available now to help fill naval aviation requirements from both F/A-18 Super Hornets and Helicopters.

If the initial integration feasibility assessments are positive, do you see value in expanding those activities in the coming fiscal year(s)?

Admiral GREENERT. If the initial integration feasibility assessments are positive, the Department of the Navy (DON) will examine DMB specific attributes versus the Small Diameter Bomb Increment II (SDB II) program. The F/A-18 E/F Hornet roadmap already includes funding for the SDB II weapon system. SDB II is an all-weather, moving target, standoff (40+ nautical mile) glide weapon that prosecutes wheeled, tracked, and maritime moving targets which is also a capability that DMB advertises. SDB II's IOC on the F/A-18 E/F is scheduled for FY19. SDB II's advantages over DMB are: it has a tri-mode seeker; is data-link capable; and a significantly greater maximum range. SDB II is a non-forward firing weapon. Should the

Fleet requirement for a new forward firing, air-to-ground weapon on the F/A-18 E/F and the MH-60 change, DMB may compete in the Joint Requirements Oversight Council (JROC) approved and validated Joint Air-to-Ground Missile (JAGM) program.

